

LEGAL SERVICES CORPORATION  
BOARD OF DIRECTORS

MEETING OF THE BOARD OF DIRECTORS  
OPEN SESSION

Tuesday, October 19, 2010

10:35 a.m.

Hyatt Regency Hotel  
320 West Jefferson Street  
Louisville, Kentucky 40202

BOARD PRESENT:

John G. Levi, Chairman  
Martha L. Minow, Vice Chairman (by telephone)  
Sharon L. Browne  
Robert J. Grey, Jr.  
Charles N.W. Keckler  
Harry J.F. Korell, III  
Victor B. Maddox  
Laurie I. Mikva  
The Reverend Joseph Pius Pietrzyk, O.P.  
Julie A. Reiskin  
Gloria Valencia-Weber  
Victor M. Fortuno, Interim President and General  
Counsel (ex officio)

## STAFF AND PUBLIC PRESENT:

Kathleen Connors, Executive Assistant to the President  
Patricia Batie, Acting Corporate Secretary and FOIA  
Officer, Office of Legal Affairs  
David L. Richardson, Treasurer and Comptroller  
Mattie Cohan, Senior Assistant General Counsel, Office  
of Legal Affairs  
Katherine Ward, Executive Assistant, Office of Legal  
Affairs  
Jeffrey E. Schanz, Inspector General  
Laurie Tarantowicz, Assistant Inspector General and  
Legal Counsel, Office of the Inspector General  
Thomas Coogan, Assistant Inspector General for  
Investigations, Office of the Inspector General  
Ronald "Dutch" Merryman, Assistant Inspector General  
for Audit, Office of the Inspector General  
David Maddox, Assistant Inspector General for  
Management and Evaluation, Office of the Inspector  
General  
Stephen Barr, Media Relations Director, Government  
Relations and Public Affairs Office  
Matilde Lacayo, Program Counsel III, Office of Program  
Performance  
David R. Yoder, Executive Director, Legal Services of  
East Tennessee  
James Fry, Executive Director, Legal Services of  
Alabama  
Mark Moreau, Executive Director, Southeast Louisiana  
Legal Services  
Samuel Buchanan, Executive Director, Mississippi Center  
for Legal Services

Terry Brooks, Standing Committee on Legal Aid &  
Indigent Defendants (SCLAID), American Bar  
Association  
Don Saunders, National Legal Aid and Defenders  
Association (NLADA)  
Linda Perle, Center for Law & Social Policy (CLASP)

## C O N T E N T S

OPEN SESSION	PAGE
1. Pledge of Allegiance	6
2. Approval of agenda	6
3. Approval of the Minutes of the Board's Open Session meeting of July 21, 2010	6
4. Approval of Minutes of the Board's Open Session Telephonic meeting of September 21, 2010	6
5. Chairman's Report	71
6. Members' Reports	89
7. Gulf Coast Update presented by:	9
James Fry, Executive Director, Legal Services of Alabama	
Mark Moreau, Executive Director, Southeast Louisiana Legal Services	
Samuel Buchanan, Executive Director, Mississippi Center for Legal Services	
8. President's Report	89
9. Inspector General's Report	90
10. Consider and act on the report of the Search Committee for LSC President	72
11. Consider and act on the report of the Promotion & Provision for the Delivery of Legal Services Committee	94

	4
OPEN SESSION (Cont'd)	PAGE
12. Consider and act on the report of the Finance Committee	95
13. Consider and act on the report of the Audit Committee	97
14. Consider and act on the report of the Operations & Regulations Committee	98
15. Consider and act on the report of the Governance & Performance Review Committee	101
16. Consider and act on Resolution 2010-XXX authorizing the Board Chairman to Appoint Non-Directors to the Board of Directors' Development Committee	103
17. Consider and act on Resolutions 2010-008g-j thanking outgoing Board Members for their service and contributions to the Legal Services Corporation	107
18. Consider and act on Meeting Schedule for calendar year 2011	Not discussed
19. Public comment	108
20. Consider and act on other business	108
21. Consider and act on whether to authorize an executive session of the Board to address items listed below under Closed Session	109

## CLOSED SESSION

22. Approval of Minutes of the Board's Closed Session meeting of July 21, 2010
23. Approval of Minutes of the Board's Closed Session meeting of September 21, 2010
24. IG briefing of the Board
25. Consider and act on General Counsel's report on potential and pending litigation involving LSC
26. Consider and act on Management request for authorization to increase the maximum number of hours of accrued vacation leave that may be carried over to the next year; Briefing (by telephone)  

Presentation by Linda Mullenbach,  
Senior Assistant General Counsel, and  
Alice Dickerson, Director, Office of  
Human Resources
27. Internal Personnel Matter Briefing (by telephone)Not discussed  

Presentation by Linda Mullenbach,  
Senior Assistant General Counsel, and  
Alice Dickerson, Director, Office of  
Human Resources
28. Consider and act on motion to adjourn meeting

Motions: 6, 8, 73, 95, 96, 101, 105, 107, 109

## 1 P R O C E E D I N G S

2 (10:25 a.m.)

3 CHAIRMAN LEVI: This is John Levi, and I'm  
4 chairman of the Board of the Legal Services  
5 Corporation. And our regularly scheduled Board meeting  
6 has been duly noticed in the Federal Register, and I'm  
7 calling the meeting to order, and would ask our host,  
8 Mr. Maddox, to lead us in the Pledge of Allegiance.

9 (Pledge of Allegiance.)

10 CHAIRMAN LEVI: Thank you.

11 Could I have a motion to approve the agenda?

12 M O T I O N

13 MS. REISKIN: So moved.

14 CHAIRMAN LEVI: Second?

15 MR. MADDOX: Second.

16 CHAIRMAN LEVI: All in favor?

17 (A chorus of ayes.)

18 CHAIRMAN LEVI: And now we'll go out of order  
19 and allow -- well, I guess, actually, we need to have  
20 approval of the minutes. I'll do approval of the  
21 minutes of July 21 and of September 21, but I  
22 accomplish that in one motion unless there are any

1 changes to those minutes.

2 MR. KORRELL: John?

3 DEAN MINOW: May I move? It's Martha Minow.

4 CHAIRMAN LEVI: Martha Minow is on. Yes.

5 MR. KORRELL: This is Harry Korell. I'd just  
6 like the minutes to reflect that I attended the open  
7 session of the Board meeting by telephone as a nominee.  
8 It didn't get picked up in the minutes.

9 CHAIRMAN LEVI: Of September 21?

10 MR. KORRELL: I apologize. Of the July  
11 meeting.

12 CHAIRMAN LEVI: Of the July meeting? Okay.

13 MR. KORRELL: Were we looking at the July 30?  
14 I'm sorry.

15 CHAIRMAN LEVI: The July 21 meeting.

16 MR. KORRELL: Never mind, then. My change  
17 would have been to the July 30 minutes, which are not  
18 up. Never mind.

19 DEAN MINOW: May I make the motion?

20 CHAIRMAN LEVI: Now, that's interesting. I  
21 think that's a typo. I believe it was July 30. It was  
22 July 30. That's a typo on the agenda here. It's July

1 30.

2 MR. KORRELL: Actually, it looks like there  
3 was a July 21 telephonic Board meeting.

4 CHAIRMAN LEVI: There was a telephonic Board  
5 meeting. But is the July 30 -- maybe we approved those  
6 already.

7 MR. KORRELL: I think you did. My feelings  
8 aren't terribly hurt.

9 PRESIDENT FORTUNO: You've approved those  
10 already.

11 CHAIRMAN LEVI: They were approved already.  
12 So this is the July 21 telephonic meeting, and there is  
13 no amendment. Is that correct?

14 MR. KORRELL: That's correct.

15 CHAIRMAN LEVI: So maybe we can accomplish  
16 this in one motion.

17 DEAN MINOW: I made the motion.

18 M O T I O N

19 MR. GREY: So move.

20 CHAIRMAN LEVI: Mr. Grey so moves.

21 MR. KORRELL: Second.

22 CHAIRMAN LEVI: All in favor?



1 (A chorus of ayes.)

2 CHAIRMAN LEVI: And we do have guests here  
3 today --

4 MS. REISKIN: I will abstain, Mr. Chairman. I  
5 was not at the telephonic meeting.

6 CHAIRMAN LEVI: Thank you very much. And as I  
7 was saying, we'll know how quickly we get out of here  
8 based on how quickly the meeting proceeds. In any  
9 event, I'm just kidding.

10 Okay. I am going to go out of order here  
11 because 5 and 6 are my report and members' reports.  
12 But we have distinguished guests here with us today  
13 from the Gulf Coast, and we want to hear from them, and  
14 they are ready to present.

15 James Fry -- you want to raise your hand  
16 there -- is the executive director of the Legal  
17 Services of Alabama, Mark Moreau, executive director of  
18 Southeast Louisiana Legal Services, and Sam Buchanan,  
19 executive director of the Mississippi Center for Legal  
20 Services, coming from the Gulf Coast. Thank you very  
21 much for coming. We very much appreciate this, and we  
22 look forward to your presentation.

1           MR. MOREAU: Thank you for the opportunity to  
2 speak on the legal needs of the Gulf Coast oil spill  
3 victims. I will start out with just a brief overview  
4 of the problem.

5           Of course, the big thing is that a lot of  
6 people were put out of work, and they have claims  
7 pending for lost wages, lost profits, lost subsistence,  
8 and property damage. And we're about two months into  
9 that claims process now, and people have about another  
10 month to do their emergency assistance claims. And  
11 after that they have to do their final claim. So it's  
12 a two-step process.

13           And so far, roughly 70 or 75 percent of the  
14 claims haven't been decided, so people are going  
15 without money right now. And we think that when the  
16 claims start getting denied, that's when the real  
17 demand for legal assistance will hit, for a couple  
18 reasons.

19           One, they've been denied, and then they've got  
20 to decide what to do, whether they pursue a final claim  
21 or whether they file suit in court, that type of thing;  
22 plus the final claims process is going to start, and

1 that's going to involve more complicated legal issues  
2 and accounting issues and stuff like that. How is one  
3 going to evaluate how to settle a long-term claim when  
4 you really don't know what your losses are going to be  
5 over the next three years?

6           So it's a complex new area of the law, and  
7 we're kind of, I think, in the dark now as to how that  
8 will play out. So far we haven't seen too many claims  
9 knocking on our doors yet, but we would expect that to  
10 happen some time really soon.

11           In terms of other legal problems that are  
12 created by the disaster, we know that -- we've already  
13 seen foreclosures and some spike in domestic violence,  
14 which of course is very common to disasters.

15           And in terms of sort of another new legal  
16 problem for this crisis, it'll be tax law. There'll be a  
17 great need for help in tax law for the claimants. A  
18 lot of these folks are going to be swept into the tax  
19 system for the first time and they're going to have  
20 many, many problems. It's possible that 80 percent of  
21 the claimants will have tax problems, which is pretty  
22 staggering.

1           And during Katrina, the big hidden problem of  
2 the disaster was probate because you couldn't get  
3 disaster assistance without clearing title. I think  
4 one of the hidden legal problems that really gets  
5 exposed by this disaster will be tax law. And I'm  
6 happy to say that all of our states do have some tax  
7 law capacity.

8           Well, I think that's sort of what's going on.

9       And each of us were going to talk about our individual  
10 resources, capacities, and challenges. In  
11 Louisiana -- I'll start with Louisiana briefly -- we  
12 have about 40,000 claimants just in the coastal  
13 communities, and maybe another 40,000 statewide.

14           And for us, a lot of our clients are quite  
15 distant from our office. It's an hour and a half to  
16 four hours to get to our offices round-trip. So that  
17 adds an incremental cost to our service delivery that's  
18 pretty staggering.

19           We would like to do at least two days of  
20 outreach with attorneys in these remote communities,  
21 and we figure that adds about another \$50,000 a year  
22 onto cost in terms of travel, lost time, down time,

1 that type of thing.

2 We haven't been real successful in accessing  
3 resources for this crisis. It's been very different  
4 from Katrina. Most foundations and philanthropists see  
5 this as BP's problem, which I think probably all of us  
6 think that.

7 (Laughter.)

8 MR. MOREAU: So people have been really  
9 reluctant to give money. So far, all we've been able  
10 to obtain is money from Fannie Mae to help with  
11 foreclosure, which is great because our major  
12 foreclosure grant is expiring this month. And we also  
13 just lost one of our tax lawyers and one of our  
14 consumer lawyers, so we're facing the loss of three  
15 lawyers in what we expect to be some of the major  
16 practice areas of this disaster.

17 And on top of that, our program's actually  
18 facing about a \$300,000 deficit for 2011. We're still  
19 trying to figure that out. So our resources are kind  
20 of stressed, and that's not unusual for charities  
21 post-Katrina. A lot of charities post-Katrina are now  
22 sort of in a death spin or a tailspin. They're kind of

1 exhausted by the Katrina battle, and their resources  
2 have run out, and now they're getting hit with another  
3 disaster.

4           We think it's going to be much more difficult  
5 to develop pro bono alliances for this disaster because  
6 the communities are remote. The issues are more  
7 esoteric. They're document-intensive, so it becomes  
8 harder to deliver services remotely. And so there is  
9 some interest in doing that work, and we do have a  
10 greater capacity because of Katrina to work with pro  
11 bono attorneys.

12           We've also got a couple Vista volunteers who  
13 are now available to do outreach, and that will start  
14 very shortly. And we joined forces with Alabama and  
15 Mississippi to get an additional AmeriCorps attorney  
16 from Equal Justice Foundation, and that person is  
17 coordinating some of our work.

18           We meet biweekly. We've got 14 legal aid  
19 programs throughout the Gulf South that basically meet  
20 biweekly by phone to share information, share  
21 strategies, and work on resource development together.

22       So that's a very positive development that we're quite

1 proud of.

2           And the other unusual thing about this is  
3 there's tremendous literacy problems. I think what  
4 we're looking at in terms -- well we have a lot of  
5 experience from Katrina with dealing with claims,  
6 either FEMA or Road Home, stuff like that.

7           So we've worked with the population. We know  
8 they have problems with documentation. Mr. Feinberg  
9 has said, for example, that 43 percent of the claims,  
10 pending claims in Louisiana, now have documentation  
11 problems, which is understandable when you're dealing  
12 with this type of population.

13           Just the other day, in our office, we had  
14 eight clients come in within a couple hours, not about  
15 the oil spill but about a FEMA class action. It's like  
16 a one-page claim form, and none of these clients could  
17 fill it out on their own or determine whether they're  
18 eligible. Of course, the BP process and claims process  
19 is much more complicated than this FEMA class action.

20           So we think that there are vulnerable  
21 populations that are going to need some help with the  
22 claims, and that our role in legal aid is probably to

1 get involved in some of them and identify the systems  
2 issues and hopefully try to rectify them for our client  
3 communities. That's sort of what we did with Katrina  
4 with the FEMA claims and the Road Home, and it was  
5 quite successful.

6 So I think I'll pass to one of you guys to  
7 talk about your states.

8 MR. FRY: Well, why don't we go back east,  
9 Mark, and we'll go to Alabama, skip Mississippi and  
10 Florida for just a moment. This is James Fry,  
11 executive director of Legal Services of Alabama, from  
12 Montgomery, Alabama. Thank you, sir.

13 I'd like to start by first kind of describing  
14 what the nature of the immediate problem from the spill  
15 was in Alabama, other than psychological -- and having  
16 lived a mile from the beach down in Gulf Shores,  
17 Alabama, you can't imagine what it's like waiting for  
18 the place you love, the place you grew up, the place  
19 you swim every day four or five months out of the year,  
20 the place where you go out on your boat -- wait for the  
21 oil to come and to spoil all of that. In fact, in Gulf  
22 Shores, we did wait and it did come.



1           So first there was a terrible psychological  
2 impact. But immediately, when the oil was there, our  
3 issues really were an issue that was bifurcated. In  
4 South Alabama, we basically have two industries that  
5 are linked very closely to the Gulf, and of course  
6 seafood is one of them, in South Alabama, we have a  
7 major ship business out of Bayou La Batre, and another  
8 out of Bon SECour over in Mobile County.

9           And those places were basically shut down for  
10 months. And not only the people on the boats, the  
11 shrimpers and the oyster people, but the people that  
12 sold gas, the people that sold coffee at the coffee  
13 shop, the people that sold bait, the people that  
14 shucked the oysters, on down the line, all of those  
15 people were out of work. And they were out of work,  
16 unfortunately, during the very highlight of what would  
17 have been their season, the money-making part of the  
18 season.

19           In Bayou La Batre, by the way, 80 or 90  
20 percent of the seafood folks there are Asians, many of  
21 whom came to this country as boat people after the fall  
22 of Vietnam. They are United States citizens. Most of

1    them pay taxes.  Most of them still don't speak  
2    English.  And so we've had a real target-rich  
3    environment to improve our limited English proficiency  
4    performance in that area.

5                    But it's hard to imagine the spilloff in a  
6    community.  If some of you maybe are from Atlantic City  
7    or somewhere, where you're dependent upon tourism, you  
8    may be able to appreciate it more.  But I think one of  
9    the problems in dealing with this issue is a lot of  
10   people just don't get it, why the guy that rents  
11   umbrellas on the beach should get money, why the people  
12   who work in the t-shirt factory five miles from the  
13   beach that are making t-shirts that say, "Welcome to  
14   Gulf Shores, Alabama," why they are entitled to money.

15                   Well, there are a lot of people whose  
16   livelihoods depended on the tourists coming.  And why  
17   do they come?  They come because of the water and the  
18   beach.  Some come for outlet malls, I guess.  But what  
19   draws them is the Gulf of Mexico, all the way, by the  
20   way, to Canada.  And if you were going I-65 right now  
21   and drive to Montgomery, you will notice a lot of tags  
22   from Illinois and Michigan, and they're all going down

1 for the water.

2           So I think one of the problems that we've had  
3 in trying to raise money and get other people  
4 interested is making the case of how directly and  
5 dramatically people have been affected. And in fact,  
6 it seems like to me there's probably been some  
7 disparity in our clients, our community, being turned  
8 down because they are one mile away from the beach, or  
9 because my Vietnamese client's 750 crab pots were not  
10 destroyed by BP; they were destroyed by the Coast Guard  
11 during the cleanup operation. And yet this person was  
12 turned down, saying, BP didn't cause that. Well, yes,  
13 they kind of did, I think.

14           But anyway, we probably had 30,000, at least,  
15 claimants in South Alabama, and probably half of those  
16 claims have been processed. Most of those that have  
17 been turned down have been because of lack of  
18 documentation.

19           And I want to note here, I think that I  
20 probably missed the boat. We probably should have  
21 gathered up, mustered our forces, and gone down and  
22 assisted people in documenting. We had thought that we

1 would be -- and made a move to be -- a part of the  
2 process with the new Feinberg operation, so that we  
3 could be there, paralegals and our staff people, to  
4 help at least put documents together.

5           And that was not deemed necessary. In  
6 retrospect, I think there are a lot of people that  
7 probably would have been paid something if they had  
8 just had someone to assist them in putting the  
9 documents together.

10           And as Mark said, now, those people who have  
11 been denied anything are faced with the very  
12 frustrating choice of, once again, filing for a final  
13 payment. And I think maybe our opportunity now is,  
14 after November 25th when we start the new claims  
15 process, of maybe trying to come up with an organized  
16 delivery system to help these people put the forms  
17 together because otherwise, I'm certain there's going  
18 to be an injustice done for people who were worthy but  
19 simply have failed to be able to document.

20           Briefly, we did take action immediately,  
21 beginning first last summer. I hired, through a grant  
22 we got from a foundation in Alabama, Sister Mary Ellen

1 Lacy, who is a nun, and was already working not in an  
2 attorney capacity, although she is an attorney. We  
3 placed her in Bayou La Batre. And her roommate, it  
4 turns out, is with the Catholic Social Services,  
5 already there. And so we quickly became embedded in  
6 the Asian community and have been providing services,  
7 although we only have about 50 cases. Again, there's  
8 so much here that's under the radar.

9           But we do have about 50 cases, and we are  
10 working through language barriers. We're working now,  
11 by the way, with the Lutheran organization, who has  
12 provided us with a free interpreter five days a week.  
13 And so having good success helping that community.

14           What I expect to see and what we have been  
15 seeing is an increase in court cases. And in a state  
16 where we only serve probably one or two of people who  
17 are eligible for our services, this increase, once  
18 again, puts us in the triage position of having to  
19 decide what cases are priorities.

20           But principally, on the beach, we're going to  
21 see an increase in housing cases, evictions,  
22 foreclosures, and we will see and we are seeing an

1 increase in domestic violence because in Bayou La  
2 Batre, we've got a couple hundred fishers that are home  
3 and can't pay their bills, and that's very frustrating.

4           And in addition, I predict by the first of the  
5 year we'll see a spike in consumer cases, particularly  
6 in predatory lending cases, where people have had to go  
7 borrow money to pay their bills or put everything -- if  
8 they have a credit card, pay their bills for six months  
9 on a credit card.

10           I'll move on. But the one thing I left out  
11 about a tourist industry or a fishing industry, it's  
12 kind of like farming used to be in Alabama. You make  
13 all your money at one time. You harvest the crop and  
14 you sell it.

15           My friends who are bartenders and waitresses  
16 and maids in Orange Beach and Gulf Shores, Alabama make  
17 probably close to half of their living between June and  
18 August. And they're like squirrels. They squirrel  
19 that money away. And that's how they survive November,  
20 December, January when all the tourists go home because  
21 of cold weather.

22           This year they're not going to have that.

1 This year they're not going to have that, and when that  
2 impacts, that is when we are going to see this somewhat  
3 under-the-radar spike in cases.

4 Mark mentioned, and I wanted to say also, we  
5 are using -- we have a tax clinic attorney. And what  
6 we have been doing is servicing at the clinics using  
7 our low income tax lawyer. And been very well  
8 received, and I think, as Mark has said, when you start  
9 getting to the final payment on some of these cases,  
10 more and more there are going to be issues involving  
11 taxes.

12 It's probably hard for most people to imagine.  
13 But maybe you haven't been to the Gulf or been to the  
14 Redneck Riviera, as we call it in Alabama. We have  
15 people who never pay taxes. And that's not good.  
16 That's not right. But they're our clients.

17 And we've got people who they work for cash.  
18 They pay in cash. They don't have a credit card. They  
19 don't have a checking account. They are really under  
20 the radar. And some of them now want to make claims,  
21 and I guess we're going to help them be honest citizens  
22 and go back and file returns, maybe, for the last

1 couple of years, or advise them, just maybe don't make  
2 a claim. And by the way, these are eligible people.  
3 These are all low-income people.

4 Finally, I just want to say the good that's  
5 come out of this is the collaboration that the Gulf  
6 Coast states have had. We've had a couple of major  
7 disasters in the last decade, beginning for me with  
8 Ivan, and then later Katrina, and now this.

9 They've all been different in scope. They've  
10 all been a little bit different in nature. But, for  
11 instance, the three of us here are all friends. We  
12 talk. We see each other at meetings.

13 What has happened is we see more and more  
14 common issues. Some are common to all legal aid  
15 providers around the country, but there are some that  
16 really are pretty specific to being on the Gulf Coast.

17 And we are, I think, kind of resolved to probably  
18 formally begin a process so next time we'll be ready.

19 There will be another hurricane. There will  
20 be another, probably, God forbid, natural disaster.  
21 And the one good thing that has come out of this, we've  
22 agreed to be ready, to have at least some kind of



1 structure where we can talk and not have to wait 30  
2 days or two months to put together a committee.

3 And with that, I'll yield to the great state  
4 of Mississippi.

5 MR. BUCHANAN: I'm Sam Buchanan, the executive  
6 director for Mississippi Central Legal Services. I'll  
7 speak for my program as well as for Kris Knab, who  
8 could not be with us, on behalf of the Legal Services  
9 of North Florida.

10 First, for my program in Mississippi,  
11 certainly, as Mark and Jimmy said, the issues are  
12 pretty similar in terms of what we experienced and what  
13 we had anticipated experiencing. To put one thing in  
14 context, however, when we talk about the claims that  
15 have been filed, just in the area of claims that relate  
16 to lost wages or lost earnings, currently, as of  
17 October 12th, about, in our state, 85 percent of those  
18 claims are yet unpaid. They're still pending.

19 Across the four states of Louisiana,  
20 Mississippi, Alabama, Florida -- five states -- and  
21 Texas, roughly 89,000 claims are still undecided, just  
22 in categories of lost wages or earnings. So that gives

1 you an idea of how many people are still waiting to be  
2 paid under the temporary claims process.

3 As Mark and jimmy said, we've not seen many  
4 claims thus far, and that's for numerous reasons, I  
5 think. Primarily, one reason is that many of the  
6 claimants or applicants took Feinberg at his word that  
7 they would not need an attorney initially in the  
8 process, so they undertook it without the benefit of  
9 counsel.

10 So we opted not to do outreach. As a  
11 consequence, we've only seen claims that are indirectly  
12 related, such as persons who have dependents, support  
13 cases, who could not afford to pay alimony or child  
14 support because they're now out of a job on a temporary  
15 basis, those type of cases.

16 To address the issue, we're starting to revamp  
17 our case acceptance or our call center. We've  
18 instituted, most recently, training for our call center  
19 staff on the protocol process. We've started a script  
20 titled, "Have you been affected by the oil spill?",  
21 which is analysis for all 82 counties in our state.

22 It also provides information about the

1 temporary claims process analysis that job loss, lost  
2 wages, are also a part of the claims process, and also  
3 indicates that our program can provide assistance in  
4 other areas that may be indirectly related such as,  
5 mentioned earlier, unemployment benefits, tax issues,  
6 those type of cases that we anticipate seeing later on  
7 down the line.

8           In the areas of publicity, we hope to go,  
9 starting in the next couple of weeks, doing more  
10 outreach and education to people who may be affected  
11 and not fully aware of their rights as relates to the  
12 claims process, as Jimmy and Mark said, persons with  
13 whom English is a second language. Many people operate  
14 at a low literacy rate, so they're going to have  
15 difficulty navigating the claims process or  
16 understanding what their rights are as relates to the  
17 claims process.

18           We're also looking at establishing protocols  
19 that will hopefully avoid conflicts the private  
20 attorneys because, as Mark said, we all view BP as the  
21 culprit in the whole instance, and therefore they  
22 should be primarily responsible.

1           As a consequence, I assume that many attorneys  
2 are not volunteering to do cases on a pro bono cases.  
3 They are doing cases on a contingency basis and staying  
4 away at this point. So we hope that that may change  
5 over the course of time.

6           As far as cases that we anticipate seeing,  
7 they are similar to what Jimmy and Mark said -- lost  
8 wages, property damage claims, personal injury  
9 including mental health issues, tax issues. Most of  
10 our cases thus far have been on the three coastal  
11 counties, although we have seen claims from across the  
12 state, even some in north Mississippi for people who  
13 are affected by lost wages or et cetera.

14           So we anticipate that although the three Gulf  
15 Coast counties will be mostly affected, people in other  
16 counties will be affected as well, but not to the same  
17 extent.

18           Our challenges are similar -- limited staff;  
19 staff with limited or no expertise in the evolving  
20 areas of the law; additional case loads on current  
21 resources and staff; and as I said, a shortage of  
22 private attorneys willing to step forward, or unable to

1 step forward, to volunteer their time for the effort.

2           So that kind of capsulizes our state, I guess,  
3 in a nutshell. So I want to transition a little bit to  
4 the Florida experience. Again, Kris Knab could not be  
5 with us because of a prior conflict.

6           In Florida, Kris anticipates that there  
7 probably will be about 75,000 workers affected by the  
8 oil spill in the various categories, including hotel  
9 and restaurant workers, construction workers, retail  
10 and sales clerks, et cetera.

11           Their claims process is similar. They have  
12 many people who are still waiting for their claims to  
13 be resolved.

14           As relates to other issues, again, their  
15 experience is the same as ours. There have been very  
16 little monetary resources coming forward. Most  
17 recently, the Florida Bar Association or Foundation  
18 awarded Florida \$50,000 for a six-month period solely  
19 to perform outreach to try to encourage workers in the  
20 impacted industries to file claims and to contact the  
21 GCCF lawyers for assistance. And again, that process  
22 began approximately a week ago, I believe.

1           As far as pro bono resources, the same  
2 experience. They've had difficulty soliciting and  
3 getting attorneys to volunteer their time and  
4 resources.

5           Program resources -- they've devoted a  
6 considerable amount of time to attending community  
7 meetings, visiting claims offices, seeking additional  
8 resources, and analyzing the needs of their potential  
9 claimants. However, they have been very consciously  
10 dissuaded -- they have been dissuaded in community  
11 organizations from actually making referrals to the  
12 program because of limited resources, et cetera.

13           As with the rest of us, it is impossible to  
14 predict how many new cases we will see. But hopefully,  
15 over the next several months, those cases will evolve  
16 and then we will see exactly what we can anticipate.  
17 And we know that it will be long-term and long-ranging.

18           In conclusion, we want to thank -- Kris wants  
19 to thank and we want to thank the Board, LSC Board, for  
20 allowing us to present this morning. We are finding it  
21 invaluable to be able to coordinate with programs in  
22 adjoining states to look at legal strategies, seek

1 additional resources, and share information as we  
2 strive to meet the needs of low-income clients in the  
3 Gulf states. She knows and we know that the LSC Board  
4 meeting will present a compelling picture of the  
5 challenges facing us in the Gulf state region.

6 We will collectively appreciate any assistance  
7 the LSC Board can provide, financially or otherwise, to  
8 assist in this endeavor. So thank you.

9 CHAIRMAN LEVI: Thank you very much. I'm sure  
10 there are a lot of questions. The first I'll take the  
11 privilege of asking.

12 How is the claims process proceeding, what I  
13 would call, I guess, the Feinberg process? Can you  
14 guys give us an assessment of that?

15 MR. BUCHANAN: I'll start. I think initially,  
16 I think Feinberg, based on his 9/11 experience,  
17 anticipated things to flow rather smoothly, for the  
18 time limits to be very short. But I think, having  
19 started the process and now seeing the number of claims  
20 that are coming forward and the difficulty that people  
21 are having submitting the claims application in the  
22 review process, I think he's revamping it.

1           It's not going quite as smoothly as  
2 anticipated. There are a lot of problems that I think  
3 that he would not like to have seen, but has actually  
4 encountered in terms of just the burdensome aspect of  
5 dealing with the application itself, providing  
6 documentation that's required, particularly as relates  
7 to the tax information.

8           So I think the claims process is not going as  
9 well as he anticipated, nor as well as we would like to  
10 see it go.

11           MR. MOREAU: Yes. I think the big thing is  
12 that there's been -- a lot of the claimants haven't  
13 been able to produce the documentation that the claims  
14 adjusters need, and that's the really difficult  
15 problem. And a lot of our clients are functionally  
16 illiterate.

17           You're talking about fishermen in Louisiana  
18 who left school in the third grade, and all they've  
19 been doing is fishing on a boat in the Gulf for their  
20 whole life. And they just don't know how to deal with  
21 documents. I mean, we're talking about literacy levels  
22 where people can't even find their fishing license and



1 know that it's a fishing license, or they can't read a  
2 driver's license.

3           And that makes it difficult for them to -- I  
4 think that's what took Mr. Feinberg by surprise in this  
5 disaster, the extent of -- how many people didn't have  
6 sufficient documentation to make it easy for his  
7 adjusters to decide the case.

8           We haven't heard yet whether there's going to  
9 be an internal appeal process for these claims.  
10 Originally Mr. Feinberg was talking about having an  
11 appeals tribunal within his system, where if you're  
12 turned down, you could appeal to an appeal tribunal.

13           Of course, if that happens, we would expect to  
14 have a repeat of Katrina, where there would be a demand  
15 for us to help with the administrative appeals. That's  
16 a lot of what we did during Katrina, was FEMA appeals.

17           And I don't know how you have consistency of  
18 decision-making in a claims system unless there is some  
19 appellate tribunal internally. Otherwise, folks are  
20 going to have to decide whether to go to court or not  
21 if they get turned down.

22           MR. FRY: Let me just add that -- Mr.

1 Chairman, if you had something else? You know,  
2 timeliness is so important. And I think, as Mark  
3 alluded to, I think Mr. Feinberg might have been a  
4 little misgiven about the time it would take to process  
5 claims. And through no fault of his own, there were  
6 people already waiting for claims when he took over in  
7 the middle of the summer who had been doing without.  
8 That's basically our clients, who literally go from  
9 check to check.

10 But at a recent community meeting within a  
11 month down there, I was in a meeting where people have  
12 gone out of business. They're out of business.  
13 They're waiting on a check now to have enough money to  
14 close down their business.

15 I met a lady who had a dress shop right on the  
16 beach who is drawing food stamps now, for instance.  
17 There were people there who had lost their homes  
18 because they couldn't make payment. And another  
19 hundred raised their hands that they were 60 to 90 days  
20 delinquent. And so part of the tragedy of this is if  
21 and when the money comes, it's going to be too late, in  
22 a sense.

1           The other thing is this. We're used to filing  
2 claims. I was in practice down there during Ivan. We  
3 have CPAs down there that I would say they're as good  
4 as anyone in the world at putting together a legitimate  
5 loss, including accounting principles.

6           And my attorney friends down there, I would  
7 say that the case -- excuse me -- the claims that were  
8 being paid, most of whom would not be our clients, are  
9 getting paid about 10 cents on a dollar. In fact, some  
10 of them are just mad as hell waiting to sue now. They  
11 say, we're not going to take anything. We're going  
12 to -- which is counterproductive to what I thought they  
13 were trying to do.

14           CHAIRMAN LEVI: So if someone comes to you,  
15 any one of your offices, with this claim form, what do  
16 you -- and do they do that? And if so, what do you do?

17           Because aren't you supposed -- are you to refer them  
18 to the Feinberg group? And who is that that takes it  
19 from there?

20           MR. BUCHANAN: I think, initially, none of us  
21 were anticipating that happening because, again, it was  
22 kind of promised by Feinberg that if you needed

1 assistance, we will have attorneys in place to provide  
2 that assistance.

3 I think what we're doing now is trying to  
4 revamp and review and revise what we had anticipated  
5 happening, is that when people call in now, if they  
6 have a claims issue and we know that there's not an  
7 available private attorney who is available to assist,  
8 that we will try to assist that person to maneuver  
9 through the initial temporary claims process.

10 And I should say that the collaboration of  
11 organizations did comment to Feinberg about the  
12 procedural aspects that we disagreed with in terms of  
13 deficiencies, as well as providing for some type of an  
14 appeal in the course of the claims process. But again,  
15 as of this point, that's reached deaf ears.

16 So again, we're trying to revamp and revise to  
17 try to address that in the best manner that we can  
18 under the circumstances.

19 MR. FRY: Mr. Chairman, we did do a hands-on  
20 approach. Sister Mary Ellen literally will help the  
21 people put their claim together, and then, if they have  
22 a problem, will go to the claims office with them with

1 the interpreter and say, why wasn't this paid? Explain  
2 to us, please, why wasn't this paid?

3 And by the way, most of the people at the  
4 claims centers have been very polite. They've been  
5 very conscientious. They just haven't been very  
6 helpful.

7 (Laughter.)

8 CHAIRMAN LEVI: Another question? Yes, go  
9 right ahead, Julie.

10 MS. REISKIN: This just makes my blood boil  
11 reading about this. I can't imagine what it's like for  
12 you guys. This seems like it's a big kangaroo court,  
13 and that they lied and have no intention of -- I mean,  
14 that they're just acting like any other insurance  
15 company.

16 So my two questions are: What are the laws in  
17 your states in terms of bad faith and also in terms of  
18 false -- like in Colorado, there's a law about like if  
19 you advertise something and don't do it, you can get  
20 triple damages.

21 Now, I know in Colorado -- I don't know why in  
22 Denver -- but on our TV stations, they're advertising,

1 oh, we're BP and we're going to make it right, you  
2 know, blah blah. I don't know if they're advertising  
3 that in your states. But is there any claim that could  
4 be made to sue them and to get damages based on that,  
5 is one question.

6           The other is: For the people who are  
7 illiterate, for those that we can prove any kind of  
8 learning disability, have you thought about using the  
9 Americans with Disabilities Act to demand that they  
10 provide effective communication? Which again, there's  
11 attorney's fees under Title III.

12           And so those are just two thoughts that I had,  
13 you know, to just -- I don't know. This is just -- it  
14 seems like there's got to be something that could be  
15 done because this is just so unethical, and I can't  
16 imagine this is legal.

17           MR. FRY: I'd like the first question, if I  
18 can. The whole legal issue is kind of like trying to  
19 hang peanut butter on a nail. You know, it just  
20 doesn't stick too good.

21           We're outside a real legal process. It's a  
22 claims process done, I guess, you might say, at the

1 magnificence of BP, where you can ask for money; we may  
2 give it to you or we may not. I don't know that -- and  
3 someone can correct me -- I don't know that there's any  
4 remedy, especially judicially, that they haven't paid  
5 the money.

6           Now, there could be cases of fraud or a  
7 detrimental reliance. But so far, I don't think so. I  
8 think basically, they say, if you give us the  
9 paperwork, we'll decide whether we'll pay you or not  
10 and what we'll pay you.

11           And so it's a process entirely outside of what  
12 we all would know as a -- there's nothing judicial  
13 about it. It's almost like quasi-administrative, with  
14 guidelines -- which, by the way, that's another  
15 problem. They're interpreted differently by different  
16 adjusters, so that you have one person in a restaurant,  
17 they get paid; someone else files a claim, they don't  
18 get paid, the same people, same circumstances.

19           MR. MADDOX: Mr. Chairman, I'm a little  
20 confused here. If I understand it, BP turned over \$20  
21 billion to the federal government, and there's --

22           MR. FRY: A promise of \$20 billion.

1           MR. MADDOX: Well, a commitment of \$20  
2 billion. I don't know where the money is right now,  
3 but I think we got an IOU, at least. And I need to  
4 understand who we're dealing with.

5           Julie, I think you were talking about BP not  
6 handling a claims process fairly or honestly. And Mr.  
7 Fry, you're talking about dealing with Kenneth  
8 Feinberg, aren't you?

9           MR. FRY: Well, the process went over -- the  
10 claims process on the coast in the middle of, what,  
11 August, the third week, basically was turned over to  
12 Mr. Feinberg.

13          MR. MADDOX: Right. Who is --

14          MR. FRY: And BP is out of it.

15          MR. MADDOX: Right. And Kenneth Fry (sic) is  
16 a government employee.

17          MR. FRY: Well --

18          MR. MADDOX: He was appointed by the  
19 President.

20          MR. FRY: I think he's being -- I don't think  
21 he's being paid by -- I couldn't answer that. He's  
22 being paid --



1           MR. MOREAU: Whenever he presents himself, he  
2 presents himself as being independent of BP and the  
3 government in terms of the actual claims process. And  
4 I guess you are confused such as we are in a lot of  
5 instances. But --

6           MR. MADDOX: Well, I appreciate that  
7 clarification. I think the reality, though, is that it  
8 is not BP that has the discretion today to accept or  
9 deny a claim.

10          CHAIRMAN LEVI: That's correct. Feinberg  
11 is -- the entire administration of it is turned over to  
12 Feinberg, who, incidentally, is a very -- you know, ran  
13 the 9/11. I think he means very well here, but he may  
14 have underestimated the task at hand.

15                 And that's one of the reasons we -- and how  
16 it's impacting our grantees is really what we want to  
17 know about, and then, if there are ways we can help in  
18 this, whether we should be making some kind of disaster  
19 appropriation to you is something that I think our  
20 Board would be interested in knowing, but if we were  
21 to, what would it be for and that kind of thing.

22                 But I want to let Vic ask --

1           MR. MADDOX: Well, let me just finish, and  
2 I'll turn it over to someone else.

3           Do we know or do you all have any  
4 understanding, as you sit here today, about how much of  
5 the BP money Feinberg has -- or BP before him, and  
6 Feinberg now, has actually allocated to people who have  
7 made claims?

8           MR. MOREAU: Well, I know for Louisiana, as of  
9 the other day, that he had paid out \$500 million to  
10 individual claimants in Louisiana. And I don't  
11 remember the number that he's paid out to businesses.  
12 The business claims are a little more complicated than  
13 the individual claims, so they've been going a little  
14 more slowly.

15           But he is paying out money, and he is paying  
16 it out faster than BP, and it's been more generous than  
17 BP.

18           MR. MADDOX: And do we know what the other  
19 states -- do we have any idea?

20           MR. BUCHANAN: I don't have the exact number,  
21 but it's posted on the GCCF website periodically. The  
22 most recent posting I saw was October 12th. I did not

1 jot down the actual amount for Mississippi.

2 But I guess in response to your first part of  
3 the question is also that the position that Feinberg  
4 takes is that, I'm operating a claims process, and you  
5 have the option of pursuing my claims process or going  
6 to court.

7 MR. MADDOX: Right.

8 MR. BUCHANAN: And what we anticipate or fear  
9 is that in many instances, particularly low-income  
10 persons may opt to take the claims process offer even  
11 though it may not be equitable versus pursuing a court  
12 action that may take years and years to resolve.

13 MR. FRY: Mr. Chairman, to follow up just  
14 something you said, what I would like to do, and I'm  
15 sure these gentlemen and I know Kris over in Florida  
16 would, too, I would love to do outreach. I'd love to  
17 have PSAs, radio spots saying, if you've got a problem,  
18 call for advice. Call my call center, which is  
19 toll-free, and you can talk to someone.

20 But if I did that, I might wind up the next  
21 day with 20,000 telephone calls. And I don't have  
22 anybody -- I don't have that many people to answer the

1 call or that many lawyers to give assistance to. And  
2 I've been through this with mortgage foreclosures, so  
3 I've had some experience with that. If you offer a  
4 service, you'd better be ready to deliver it.

5 FATHER PIUS: This is Father Pius. Just a  
6 quick question.

7 Does the claim process require waiving the  
8 right to sue in the future? Is that automatically part  
9 of the claims process?

10 MR. FRY: No. Excuse me, you take it.

11 MR. MOREAU: No. You can participate in the  
12 claims process without waiving your rights to sue. But  
13 once you've accepted a settlement from Feinberg's fund,  
14 you're going to have to waive your right to sue, at a  
15 minimum, BP. I don't think it's clear whether you  
16 waive your right to sue other possible tortfeasors.  
17 But I would think that they'll nail that down sometime  
18 soon.

19 CHAIRMAN LEVI: Isn't that a final settlement?  
20 I thought he could give some interim --

21 MR. MOREAU: He can give emergency assistance.  
22 That's what he's doing right now, and there's no

1 waiver of anything. But once you get your final  
2 claims, then this whole process -- some people have  
3 already submitted final claims. But I think the real  
4 deluge of final claims is going to come after November  
5 23rd, in that three-year period. And then if you do  
6 accept the final settlement, you're going to have to  
7 waive lawsuit rights against BP, anyway.

8           Now, in the beginning, when BP started doing  
9 the process itself, it was requiring people to sign  
10 waivers. But some private attorneys did file a lawsuit  
11 in New Orleans federal court and shut that whole thing  
12 down, got a court order saying that that was improper.

13           CHAIRMAN LEVI: Sharon, and then Laurie.

14           MS. BROWNE: What our chairman had asked is  
15 what type of needs you actually are seeking. And I'd  
16 like to kind of follow up on that.

17           What type of activities do you foresee you  
18 will need to become involved in as the claimant process  
19 starts to fail? Because you mentioned that you've been  
20 dealing under Katrina with the appeal process, and  
21 there's also been a statement that the actual  
22 preparation of the claim forms itself is outside the

1 legal process.

2           So I'd like to know kind of what you see your  
3 role as in this whole disaster that we're facing in the  
4 Gulf states.

5           MR. BUCHANAN: I'll start. Initially, I think  
6 it's to kind of provide education and outreach to at  
7 least the low-income persons affected by the oil spill  
8 who may not be as aware of their rights as others who  
9 may be more affluent.

10           As Jimmy said, I think that if assistance were  
11 provided, it would be initially in terms of education  
12 and outreach as far as information, what the claims  
13 process is, how do you go about filing a claim, what  
14 your rights are, what claims may be acceptable, what  
15 you will need as far as documentation, and things of  
16 that nature.

17           And then secondly, I think that it may depend  
18 upon the response that persons receive once they've  
19 entered the claims process, whether they're denied and  
20 the basis for that denial, in terms of what assistance  
21 we can provide to kind of help them maneuver through  
22 the process.

1           And then I think, indirectly, we anticipate  
2   seeing claims that are not directly related to the BP  
3   oil spill such as persons who are having difficulty  
4   meeting their support obligations, unemployment, those  
5   type of things, what we call the peripheral issues.

6           But I think education and outreach, and then  
7   helping people at least initially maneuver through the  
8   claims process to at least protect their rights  
9   initially.

10           MS. BROWNE: Then I just have a follow-up  
11   question for that. What type of help do you need to do  
12   the education and outreach?

13           MR. BUCHANAN: Well, I think as with the  
14   public service announcements, unfortunately we say  
15   public service announcements but most of the media  
16   entities do not provide free public service  
17   announcements that going to be meaningful.

18           So I think financial assistance in terms of  
19   with the outreach efforts is going to require  
20   additional staffing to do the outreach as well as to  
21   conduct the intake, assuming that the cases are brought  
22   into the office, even for the initial intake and the

1 advice or referral services.

2           And then, certainly, if there's more  
3 substantive work involved, then it's going to require  
4 additional staff as well.

5           MR. MOREAU: Well, in Louisiana, I think we  
6 have our outreach team in place now, and they'll also  
7 be able to do some education. They'll be able to  
8 partner with the Vietnamese community organizations,  
9 Catholic charities and other charities that are on the  
10 ground providing day-to-day assistance. And they may  
11 even be able to help with claims.

12           But our greatest need is -- because we've had  
13 a cutback in funding and staffing recently, is we don't  
14 really have the staff attorney capacity to deal with  
15 the cases that will be generated by our new outreach  
16 team.

17           And to have people that are sort of geared  
18 towards working these issues and learning the lay of  
19 the land, it's complicated federal law. You know, you  
20 go to these bar association seminars for eight hours  
21 and you come out thinking, I don't understand anything  
22 they're saying. And you hear all these prominent



1 lawyers arguing different points of law, and nobody's  
2 got a consensus on what any of it means.

3           But I think we need -- our biggest need in  
4 Louisiana is just to have some people who can focus on  
5 what comes out of that outreach effort, and with  
6 prioritizing the vulnerable populations that Julie  
7 talked about -- the people who don't speak English, the  
8 people who are functionally illiterate.

9           And we saw that in Katrina. People just  
10 didn't know how to put their documents together. And  
11 the state and federal agencies who were deciding the  
12 claims didn't -- they had a hard time getting it that  
13 people don't have documentation, and they had to be  
14 flexible and consider alternative documentation. But  
15 we did do a lot of stuff like that in Katrina, and we  
16 did win a lot for people.

17           So I think that's our role. I think those  
18 people that make under 20- or \$25,000 a year and have  
19 literacy problems are not going to be able to access a  
20 private attorney to help them with these small claims  
21 that are really essential to their survival.

22           CHAIRMAN LEVI: Have you all met with Feinberg

1 to say, look, first of all, we need to do this  
2 outreach; and second of all, this outreach is going to  
3 lead to additional expense, and you need to pay for  
4 that, for both of those things?

5 MR. FRY: Mr. Chairman, we have. Initially,  
6 Florida alone was asking for a couple of million  
7 dollars to do what they thought was needed. We finally  
8 got together a plan as the consortium for \$2.5  
9 million --

10 CHAIRMAN LEVI: We saw that plan.

11 MR. FRY: -- to do what we thought would be  
12 necessary to document and help people through. And we  
13 were turned down, and finally told that maybe if things  
14 didn't work, they would pay us \$15 a day or  
15 something -- I don't know, something ridiculous.

16 So we thought it would be fair for BP to pay  
17 for the services we're going to provide. It also  
18 is -- we're victims, in a way, of the spill ourselves.

19 And if I may, I just want to say one thing  
20 that I meant to say. Just because these people are  
21 hurting and needing money, I don't want anyone here to  
22 think they're not an industrious people. They are

1 proud industrious people who even -- you know, if  
2 you're a shrimper and you can't go shrimp, there may  
3 not be a whole lot else you can do.

4           People are cutting grass. They're picking up  
5 cans. They're doing whatever they can do to get by.  
6 These are not people who are sitting waiting on a check  
7 and not taking care --

8           MR. MOREAU: Oh, yes. And some of the most  
9 affected counties in Louisiana have by far the lowest  
10 utilization of food stamps in the state. It's just  
11 they're very independent, like Jimmy said, and very  
12 proud people.

13           So it's a tough time for them. And a lot of  
14 them mistrust outsiders, at least in Louisiana where  
15 the communities are very remote and insular. So it's  
16 been difficult overcoming that. We've partnered with  
17 Vietnamese lawyers from around the country, and they've  
18 worked very effectively with a lot of community  
19 organizations.

20           But at some of the outreach clinics we've had  
21 with the Vietnamese lawyers, very few Vietnamese  
22 clients have shown up. And it's a cultural thing, and

1 it's just there's a lot of mistrust that has to be  
2 overcome.

3 CHAIRMAN LEVI: At the ABA meeting, I'm trying  
4 to think who it was who met with me -- Joseph  
5 from -- one of your colleagues.

6 MR. MOREAU: Yes. Joe Oelkers from Lafayette.  
7 Right.

8 CHAIRMAN LEVI: Yes. Yes. And then Martha  
9 Bergmark put together the \$2.5 million proposal which  
10 Feinberg turned down, I think, in mid-August. Isn't  
11 that about right?

12 DEAN MINOW: Yes.

13 MR. FRY: Before then a little, but that's  
14 about right.

15 CHAIRMAN LEVI: So now we've had two months of  
16 additional experience. Has anybody been back to  
17 Feinberg as a part of your consortium? Are you meeting  
18 with him to, in a sense, re-put a proposal to him,  
19 saying, this isn't working? Or where are we on that?

20 MR. BUCHANAN: Yes. There have been  
21 additional follow-up efforts to contact Mr. Feinberg in  
22 terms of letting him know where we are now, but there's

1 not been any positive feedback at this point. So we're  
2 not really anticipating that he will change his  
3 position in terms of funding the work that we  
4 anticipate doing.

5 MR. MOREAU: What we've done in Louisiana is  
6 we're working with a few nonprofits that are aligned  
7 with the state of Louisiana and trying to reapproach  
8 Mr. Feinberg, at least in Louisiana, to say, look. The  
9 state has put up a million dollars for various  
10 nonprofit charities to provide technical assistance to  
11 the clients. Can you put up some?

12 And we're trying to get in as a legal aid  
13 component to that collaborative, which is separate from  
14 the Gulf Coast collaborative of legal aid programs that  
15 we have where we weren't able to access money from  
16 either BP or Feinberg.

17 MS. MIKVA: Is he giving any money to agencies  
18 to assist other than direct benefits?

19 MR. MOREAU: No.

20 MS. MIKVA: All right. But my other question  
21 is, the LSC disaster protocol, has anybody looked at  
22 that? Is that at all helpful? I'm just wondering.

1           PRESIDENT FORTUNO: Janet, maybe you can step  
2 up in case there are any questions. But I think we do  
3 have an emergency and other special grants fund. Right  
4 now I think we have something in excess of a half  
5 million dollars in that account.

6           Of course, we want to ensure that there's  
7 sufficient there in case a hurricane or an earthquake  
8 or flooding or a tornado hits, that we are positioned  
9 to be of assistance when most critically needed. But  
10 some of that money is available of this kind of event.

11       It's not a great deal of money, but it's some money.

12           And we also have what amounts to an emergency  
13 or disaster desk at LSC. We have John Eidleman, and  
14 maybe Janet can explain that a little bit in terms of  
15 the process that we have in place. I think I've just  
16 touched on some of the funding that we have available.

17       Maybe Janet could address the process.

18           MS. LABELLA: Well, I think that Willie Abrams  
19 and John Eidleman have been in touch with the Gulf  
20 Coast programs and have been part of the calls that  
21 they described. And so we help to coordinate the  
22 efforts in that regard.

1           With respect to the fund, as Vic mentioned,  
2 there are funds available. Many of these programs have  
3 requested them with respect to Katrina. The process  
4 was published in the Federal Register.

5           I do think that there needs to be some  
6 clarification here as the Federal Register notice says  
7 it needs to be a federally declared disaster. So we  
8 would need --

9           MR. MOREAU: Right. We're not a federally  
10 declared disaster.

11           MS. LABELLA: That's correct. And so I think  
12 that there would need to be some clarification, perhaps  
13 from OLA, regarding that or some change to the  
14 notification in order for those funds to be available.

15           The process is that the programs make a  
16 request to LSC, and the disaster committee meets and  
17 makes a recommendation. And then, of course, the  
18 President would make the final decision regarding  
19 whether or not any of those funds would be made  
20 available.

21           In the past, with respect to the natural  
22 disasters that have occurred, those funds have been

1 made available primarily for two purposes. One is if  
2 there was any damage to the grantees, such as to their  
3 offices; they could get some funds for assistance in  
4 that regard, or equipment; and also with respect to  
5 staffing up for some of the services that the program  
6 directors here have mentioned with respect to both  
7 outreach, education, intake, and ultimate services to  
8 the clients that are affected.

9 PRESIDENT FORTUNO: Thank you, Janet. And for  
10 the record, that was Janet LaBella, director of the  
11 Corporation's Office of Program Performance.

12 MS. LABELLA: Sorry.

13 CHAIRMAN LEVI: Martha? Is Martha Minow on?

14 DEAN MINOW: Yes, I am.

15 CHAIRMAN LEVI: Do you think this is -- I'm  
16 just throwing this out here -- your consortium, would  
17 our interjection of the power of the pulpit here help,  
18 possibly, if we could get a meeting with Mr. Feinberg  
19 to -- I'm reluctant to start down a road where I  
20 believe all of us feel this is something that ought to  
21 be rightfully coming from the BP fund in some way.

22 But it seems that, from your reports, we're



1 sort of treading water here. I don't know  
2 whether -- have you all had good success in having  
3 additional meetings or making your views known to the  
4 Feinberg group? Or do you think that some of us could  
5 be helpful in motivating that process?

6 MR. FRY: This is Jimmy Fry. I think it could  
7 be helpful. And I don't -- if I'm not speaking for the  
8 group, you all please say. But I have to say the \$2.5  
9 million offer that we made was the most watered-down  
10 offer we could do that would cost us money to provide  
11 the services, which was fine. We're going to do what  
12 we can do anyway.

13 But to answer your question, I would have to  
14 say personally I have kind of given up. You just ask  
15 so many times. You go with your hat in your hand and  
16 you're turned away so many times. And frankly, as a  
17 lawyer and someone who's been in politics, what I see  
18 is we're just really not much wanted there.

19 They're trying to pay people as much money as  
20 they can, spend it as quickly as they can, and shut the  
21 Kool-Aid stand down. And we just get in the way  
22 because we complicate things by asking for more money

1 and bringing up issues that people don't want to deal  
2 with.

3           So there I go being pithy, but that's the way  
4 I see it. I think there's a reason they declined our  
5 services. What we presented ourselves as is the people  
6 who've been experts in this after every disaster for  
7 the last 30 years. We know these people. We can help.  
8 And we can help the process.

9           And we basically we refused. So Mr. Chairman,  
10 any help you all could be I think would be welcome by  
11 us.

12           MR. MOREAU: Well, yes. I got the impression  
13 that Mr. Feinberg was very genuine and serious in the  
14 beginning about involving us. But I think he was a  
15 little surprised at what we thought the price tag  
16 should be for our services. And so I think that's an  
17 issue.

18           And also, I think he thought that the -- he  
19 thought that maybe the process would work without legal  
20 aid. And time will tell whether that's true or not. I  
21 think the real crisis is coming in the next month or  
22 two as to -- and it may be ripe to go back to Mr.

1     Feinberg with some type of proposal.

2                   CHAIRMAN LEVI:  Is this actually showing the  
3     claims?

4                   PRESIDENT FORTUNO:  Yes.

5                   CHAIRMAN LEVI:  Harry, you have a question,  
6     and then you can tell us what this is.

7                   MR. KORRELL:  We can go through this first.  I  
8     can hold the question.

9                   MR. BUCHANAN:  I mean, that's basically  
10    the -- periodically, the GCCF posts the statistical  
11    information for the claims process overall as well as  
12    by state.  And that's the most recent posting, I  
13    believe, as of October 12th, I believe.  It would have  
14    the breakdown by categories of claims as well as the  
15    number of claims that were filed, paid, and pending,  
16    and the total amounts that have been paid thus far,  
17    overall and by state.

18                  MR. MADDOX:  So there's \$18.6 billion still in  
19    the fund.

20                  MR. BUCHANAN:  That's probably correct, I  
21    believe.

22                  DEAN MINOW:  Can I ask a question --

1           CHAIRMAN LEVI: How many outstanding claims?

2 Or do we not know that?

3           MR. BUCHANAN: Well, I didn't pull the  
4 information. That would be available as well. I only  
5 pulled the information as relates to lost wages and  
6 earnings, and that was roughly 89,000 still pending.

7           CHAIRMAN LEVI: But this shows you. There's  
8 72,000 requiring additional information. So those may  
9 be pending. And then there's claims under review.  
10 They got some emergency payment. It looks like there's  
11 over 120,000 still pending in some way. Is that right?

12           MR. BUCHANAN: I'm not sure what category that  
13 is, but --

14           MR. MOREAU: That's what it looks like.

15           MR. BUCHANAN: And as someone said earlier, I  
16 think that -- certainly, I think, Mr. Feinberg was  
17 genuine in his approach, but overwhelmed once he got  
18 involved in the approach and realized exactly. This  
19 was substantially different than the experience with  
20 9/11.

21           MR. KORRELL: Thanks, John. This is Harry  
22 Korell. And this is a question for our guests and

1 also, John, for you and our Board.

2 I guess I'm not terribly surprised, if we have  
3 requests going to somebody like Mr. Feinberg, to say,  
4 we'd like more money so that we can get more people to  
5 make better claims to take more of the money. It's  
6 going to be -- it puts someone in a difficult position.

7 I don't want to say funding the opposition; that's not  
8 how you should look at it. But it does -- I could see  
9 why that would be some resistance.

10 We've heard from Mr. Moreau and from some  
11 others about this impending tax crisis. Right? And it  
12 seems to me that maybe there's a way -- and I don't  
13 know whether it's LSC effort, and John, you mentioned  
14 something about Dean Minow's consortium.

15 Is there a way for us to get ahead of the  
16 train, and if the issue is affecting -- if the ask is  
17 not for more money, the ask is to change the process in  
18 a way that makes it better, if it's tax problems, if  
19 the issue is -- we could spend money to try to get tax  
20 lawyers to help people.

21 Or could we go to the IRS and say, we've got a  
22 train coming; it's going to be a disaster for the IRS

1 if they're going to get 50,000 new taxpayers just  
2 discovered? I mean, it seems like it's in nobody's  
3 interest to let this go the normal way, which is have  
4 legal services attorneys try to solve these problems on  
5 a case-by-case basis.

6 And I wonder if there's anything we can do. I  
7 don't know what the consortium is you mentioned, John,  
8 about --

9 CHAIRMAN LEVI: Well, I need to clarify that.  
10 What happened is the consortium asked Martha -- the  
11 consortium of the Gulf States programs, some are LSC  
12 grantees, others are not. Collaboratively --

13 DEAN MINOW: John, may I interrupt, please?  
14 John, it's Martha Minow. You're not talking about me.  
15 You're talking about a different Martha. Please  
16 clarify.

17 CHAIRMAN LEVI: No, no, no. I'm talking about  
18 Martha -- so Martha Bergmark.

19 DEAN MINOW: Thank you.

20 (Laughter.)

21 CHAIRMAN LEVI: That's right. It's a  
22 different Martha. Martha Bergmark headed a consortium,

1 and she was the consortium of the Gulf States programs,  
2 and she went to Feinberg.

3 Now, at the same time, she asked me and Martha  
4 Minow to try to meet with or to see if we could get  
5 Feinberg's attention on your behalf, and engage him in  
6 a conversation before he issued his decision. Feinberg  
7 wouldn't talk to us.

8 Martha Minow has known Feinberg for some time,  
9 and so one of the questions I was putting out there  
10 now -- I know the Marthas are all confused here -- is  
11 whether the consortium is trying to meet with him again  
12 in view of this two months of history, and whether  
13 Martha Bergmark is organizing that, and is there any  
14 way that we at LSC could be helpful. That's --

15 MR. MOREAU: Well, Martha's definitely our  
16 spiritual leader at the consortium. And I like the  
17 idea that Harry talked about with the process because I  
18 didn't go to our last meeting in Florida of the  
19 consortium, but I noticed from the minutes that people  
20 were complaining that there's not a process where we  
21 can bring problems with the system to Mr. Feinberg.

22 And I think that would be very much a good

1 legal aid role to perform. We will do some claims,  
2 whether we got funding or not from anybody, and we're  
3 going to see systemic problems. That's what happened  
4 in Katrina.

5 Well, in Katrina we had a direct pipeline to  
6 the general counsel of the state's disaster program,  
7 and we gave him constant feedback about the problems we  
8 saw, and reforms were implemented. I think everybody  
9 in the consortium would be ecstatic if we could have  
10 some direct pipeline to Mr. Feinberg on system issues.

11 But apparently whatever we had in the  
12 beginning has broken down. So if you guys can play a  
13 role in making that happen --

14 CHAIRMAN LEVI: Martha Minow, do you have any  
15 thoughts?

16 DEAN MINOW: Well, actually, I do. I  
17 unfortunately believe that the request for monies to  
18 offer individual representation has tainted this effort  
19 in Ken Feinberg's mind. I'm not speaking for him, but  
20 this is what I've gleaned from talking with people who  
21 know him, that he believes that an ADR, alternate  
22 dispute resolution, approach is the best approach and



1 that lawyers' individual representation will slow  
2 things down and add too much money.

3 And therefore, this other role of addressing  
4 the problems with the system that he's created I don't  
5 think has been very much before him as an option. And  
6 it would be great to find a way to offer to him that  
7 kind of feedback.

8 CHAIRMAN LEVI: So Harry, you can help with  
9 that.

10 (Laughter.)

11 MR. KORRELL: I'm not sure how. I'm happy to  
12 try to do some of that. My observation or point,  
13 really, is that -- and Dean Minow's comment, I think,  
14 confirms it -- that if what we're perceived as doing is  
15 putting a hand out for more money, that makes it  
16 difficult and maybe even taints the other request.

17 And I don't think it's just an issue with the  
18 Feinberg proposal. It sounds like maybe somebody ought  
19 to be thinking about going to the IRS, whether it's  
20 this disaster or other situations. If we see a problem  
21 coming, is there a way to get out ahead of the train?  
22 That was just a question and observation. I don't have

1 an answer.

2 MR. BUCHANAN: I think there have been two  
3 approaches. There was the resource request, but also  
4 there was information submitted to Mr. Feinberg that  
5 provided some suggestions for improving the claims  
6 process as well that did not involve resources. And  
7 that's still pending with Mr. Feinberg, but there's  
8 been no response.

9 Initially, he had a young lady as his point  
10 person who was between us and Mr. Feinberg who was  
11 there for a period of time. And then as of a month ago  
12 she was no longer there, and I don't know the reason  
13 why. But there is a request or recommendation before  
14 him in that regard.

15 As relates to the tax issues, as Mark said,  
16 each of us in our state do have tax persons who are  
17 available, and they are involved with the IRS in trying  
18 anticipate what's coming down the pike. But again, it  
19 still may be overwhelming.

20 MR. MOREAU: Yes. I did get an opportunity to  
21 meet with national-level IRS people early on the  
22 crisis, and we had a brainstorming session on what the

1 problems would be. I haven't been invited back, but I  
2 know they're very sensitive to those issues, and  
3 they're going to be a major player in the next few  
4 years in our clients' lives.

5 But we do plan to bring systemic tax issues to  
6 the attention of the national taxpayer advocate and  
7 other people at the IRS.

8 CHAIRMAN LEVI: Well, I --

9 MR. MOREAU: They brought in Exxon Valdez.  
10 Believe it or not, they still have IRS personnel from  
11 the Exxon Valdez crisis, and they brought them in to  
12 brainstorm on how the IRS should respond to this  
13 disaster.

14 MR. FRY: I just want to add, too, if we've  
15 offended anyone for asking what our clients are -- I  
16 don't mean here; I'm talking about in the process -- if  
17 we've offended anyone by asking just what we think our  
18 community is entitled to, then I'm sorry, but that's  
19 just the way it is.

20 And I know none of you all have taken it that  
21 way. But Mr. Feinberg, at the meeting I went to, told  
22 the people there he represented them. He was there to

1 see that what they were -- they got what they were  
2 entitled to get. And that's all we are about, to  
3 prevent an injustice.

4           Those of us that live down there didn't ask to  
5 have that oil put on our beach. I had rather sat under  
6 the umbrella and drank my Coors Light a couple times  
7 this summer instead of seeing that stuff wash up on the  
8 shore. And all of my friends who make a living helping  
9 me do that, they didn't seek for it, either.

10           Every day I see this ad -- for some reason  
11 it's always out of New Orleans, who didn't suffer at  
12 all -- that, "We're going to be here until we make it  
13 right." That's all we're asking for. Just put your  
14 money where your mouth is.

15           PROFESSOR KECKLER: I had a quick question  
16 since, Janet, you're up there, and then also solicit  
17 thoughts from the directors if they have it.

18           Has anybody submitted in the latest round of  
19 TIG grants anything related to the Gulf Coast in the  
20 sense that -- or there could be some technological  
21 assistance in helping, getting some software  
22 infrastructure to assemble claims forms and have

1 something that could walk clients through a  
2 documentation process and so on?

3           It seems like that is something that would  
4 generally be helpful, both to the claims process and to  
5 people because they get confused. And we have some  
6 experience with document assembly, and we learned  
7 earlier just this time about developing automated  
8 documents and automated forms.

9           But probably because these are new, this is a  
10 new process and new claims, no one's really thought  
11 about helping to automate or to have software  
12 assistance with the forms that are involved in this  
13 claims process. So I wondered if there's any TIG  
14 grants outstanding, or whether there might be any TIG  
15 money available if somebody did submit a grant along  
16 those lines. How would that work?

17           MS. LABELLA: Well, to the best of my  
18 recollection -- again, this is Janet LaBella for the  
19 record -- I think it was primarily probably based on  
20 the timing of the TIG cycle that there were no such  
21 specific requests for that type of document assembly  
22 TIG projects.

1           So they would not be in the works right now in  
2 this TIG cycle. There will be another TIG cycle coming  
3 up; however, it won't be for a while. Now, whether or  
4 not there could be some special TIG cycle made  
5 available, I think that is something that LSC should  
6 consider. However, we are, of course, limited in our  
7 TIG funds to what the appropriation for TIG funds.

8           CHAIRMAN LEVI: Well, I want to thank you very  
9 much for coming up. This has been a very compelling  
10 presentation, and we will take it under advisement and  
11 try to figure out how we can be helpful. And maybe you  
12 can help us and management can advise us, too.

13           Maybe there are processes we could get  
14 involved in here in a cajoling way to try to be a  
15 facilitator, at least at the outset. And of course, if  
16 there are requests for additional funding that fit  
17 under the disaster program, and that should be  
18 necessary, we'll certainly, I'm sure, take a look at  
19 them.

20           But again, everybody does believe it should be  
21 from BP's money rather than the other funds. And so I  
22 say that with some caution.

1           Martha Minow, any final comment, thought, on  
2 this?

3           DEAN MINOW: No. I just again add my thanks  
4 to our guests and admire the work that you're doing.

5           CHAIRMAN LEVI: And I also should say that if  
6 it becomes necessary, we will have a couple of the  
7 Board members and some of management go down and  
8 appropriately visit the area if that's necessary.

9           Thank you.

10          PANEL MEMBERS: Thank you very much.

11          (Applause)

12          CHAIRMAN LEVI: So now we are way off  
13 schedule, but very importantly. And we'll try our best  
14 to catch up a bit.

15          I do want to thank our guests for coming  
16 today. I don't think that they able to stay for lunch  
17 with us because they actually have to get back down to  
18 the Gulf.

19          So this is the first meeting of the full Board  
20 that was nominated by President Obama, confirmed by the  
21 Senate, and for Julie and Gloria especially, this has  
22 been a long day coming. And finally it's here. We're

1 happy to welcome Father Pius, who's out in the hall.

2 We had the pleasure of meeting him in Milwaukee. And

3 Harry, it's great to have you here with us in person.

4           Somehow, we all made it through the process,

5 and it's really, I think, great to have the new Board

6 complete. And I have a sense we're all getting along

7 with one another, and I look forward to really working

8 with all of you and learning from you and getting to

9 know you personally, and each of you having

10 relationships among the Board that hopefully will

11 blossom into lifelong friendships.

12           Since this is our first meeting, I thought I'd

13 amplify a few of the themes that I discussed last

14 night. I believe we're off to a pretty good start.

15 Certainly it's a busy one.

16           We've embarked on and are well into a search

17 for a new president, and to try to get ahead of our

18 agenda here, right now I need the approval to have two

19 November closed sessions of the Search Committee, which

20 will be -- the first will be a report from the Heidrick

21 firm of a large number of folks who will have applied

22 for the positions. And we will cull that eventually,



1 and may at that meeting need to actually make a  
2 decision to cull.

3 And that should require a closed session; and  
4 then followed by a November 30th date, in which  
5 preliminary interviews of what I would call a kind of  
6 finalist group. It will not be the final interviews,  
7 but preliminary interviews.

8 So those two need to be --

9 M O T I O N

10 MS. MIKVA: So move.

11 CHAIRMAN LEVI: Thank you. Second?

12 MR. MADDOX: Second.

13 CHAIRMAN LEVI: All in favor?

14 (A chorus of ayes.)

15 CHAIRMAN LEVI: Now, were there any other  
16 committees that needed a closed session for their  
17 committee between now and our January Board meeting?  
18 If they do, any committee chairs, I suppose you can  
19 give them as a part of your report. But I was just  
20 trying to take care of that. Does the Audit Committee  
21 need -- Ops and Regs? Promotions? Performance?

22 DEAN MINOW: No. John, it's Martha. And the

1 Governance and Performance Review, it may depend on  
2 what happens with the rulemaking about closed sessions  
3 with regard to performance reviews.

4 CHAIRMAN LEVI: Understood. But we can make  
5 the request at that time.

6 DEAN MINOW: Thank you.

7 CHAIRMAN LEVI: This isn't to foreclose  
8 anything, either.

9 A number of applications are in. We've urged  
10 applicants to apply by last Friday, but we will -- that  
11 was not a college board deadline. The website may have  
12 confused a few people. We'll continue to accept  
13 applications in the coming weeks right up until we make  
14 a decision. We're hoping to conclude the selection  
15 process by year-end.

16 Together with an incoming president, we'll be  
17 undertaking the development of a Strategic Plan for  
18 LSC. And Charles and his committee are already  
19 embarking on that process, and that's terrific.

20 We're in the process of launching our Task  
21 Force to Review Fiscal Oversight, and as I mentioned in  
22 the September call, I had a couple of people I was

1 waiting to hear from. I am appointing them.

2           Alan Jenkins, who is director of the  
3 Opportunity Agenda, a Harvard law grad, Harry Blackmun  
4 clerk, and once head of a division of the Ford  
5 Foundation, in which he had major grants oversight, is  
6 joining the task force; and also David Hoffman, who was  
7 the inspector general of the City of Chicago, and was a  
8 Rehnquist law clerk, and I have just gotten to know in  
9 the last week or two, and he is extremely talented.  
10 And in a discussion that I had with him, I believe he  
11 can lend a lot of insight into the task force.

12           So with that, the task force is complete, and  
13 it will be moving along. Vic is preparing a briefing  
14 book for them so that they can embark pretty quickly on  
15 their work.

16           We're developing an important and timely  
17 research agenda. The American Bar Foundation stepped  
18 forward, gave us a road map. We'll send it out to all  
19 of you. There may be other items that you think should  
20 be added to it, but it seems to me that this have been  
21 a matter that's sorely necessary. And while the  
22 Justice Gap report was a good start, we need to take it

1 to the next level.

2           We're inviting grantees to our meetings to  
3 brief us on issues that are topical or regional so that  
4 we get firsthand information from the field. I hope  
5 that you all have been benefitting from that. I know I  
6 have. I think it's just been extraordinarily  
7 invaluable, and it's something that I would like to  
8 continue.

9           And as you can see from the map, we get to  
10 certain states on a rotation. But to bring folks in  
11 from the regions on, in this circumstance, when I think  
12 there's an issue of public importance, to bring the  
13 folks to where we're meeting is a value and benefit.

14           We're developing new partnerships such as our  
15 veterans initiative with the VA, and continuing  
16 partnerships such as our disaster relief project with  
17 the Red Cross. And incidentally, when we're in  
18 Washington in -- one of the upcoming times that we're  
19 in Washington, the Red Cross would like to have the  
20 Board over and you can see exactly what the nature of  
21 our relationship is with them.

22           But it primarily has to do with when there is

1 a disaster and the Red Cross is in the area and needs  
2 legal assistance, our grantees and they know where one  
3 another are and that there has been training,  
4 pre-training, so that they can quickly get involved in  
5 the issue.

6           We're promoting innovation through TIG. We're  
7 looking at our own internal technology to be in a  
8 position to offer webinars and enhanced teleconference  
9 communications. One the thing I've heard from  
10 grantees, and I know you have, is there are issues that  
11 are common. There are best practices that we pick up  
12 on that we know, boy, we just heard that over here, and  
13 wouldn't that be nice for the folks out there to hear  
14 about it.

15           We have the convening ability if we have the  
16 technology to do it. So we're building on our prior  
17 Board's momentum to encourage greater pro bono, through  
18 our Development Committee, and I know I've been  
19 burdening the staff; I do plan to appoint a pro bono  
20 task force in the coming months to really involve some  
21 of the nation's leading law firm heads and corporate  
22 law department heads, and let them see what the issues

1 are, and help us motivate the profession.

2           And we'll be looking for new resources through  
3 the Development Committee. I'm not hugely optimistic  
4 about finding new revenue, but we're going to give it  
5 the college try.

6           So these are projects we will discuss  
7 throughout the coming months. And I'm sure that some  
8 of you may want to add to my list, and I'm all ears.  
9 And you may think that I put things on there that you  
10 don't like, but I hope not. And together, we will keep  
11 a fresh agenda and try to elevate what we do through  
12 the coming years.

13           Now, today I'd like to talk about also our  
14 special responsibilities as Board members. There are  
15 only eleven of us. And I think it's our  
16 responsibility, in the roles that we have, to nurture  
17 and to take care of a piece of our country's core  
18 values.

19           We've been asked to tend to our government's  
20 overarching mission and bedrock value, equal justice  
21 under law. As I said at lunch yesterday, I see us as  
22 keepers of a flame. And while we share that obligation

1 with many others, we and they know that together, we  
2 have a responsibility to let our country know when the  
3 flame is flickering too low.

4           And we all know the nation faces a crisis in  
5 legal representation. Whether you look at the Justice  
6 Gap or you just hear from our grantees, there's just a  
7 huge unmet need. Just this past Friday, the New York  
8 Times recognized it in its own editorial.

9           And going forward, I plan to speak out on  
10 these things, and you can join me in doing that in your  
11 own communities. Number one, we have to increase  
12 resources for legal services to low-income Americans.  
13 The number of people who qualify for legal assistance  
14 in this country at this time is simply staggering.

15           Since the time that I was nominated, the  
16 increase has gone from 51 million to 57 million, and I  
17 suppose that number will continue to grow. Now, that  
18 starts with Congress, I understand that, and our  
19 current appropriation is not adequate.

20           And while I respect the debate and discussion  
21 we had at our last Board meeting regarding our 2012  
22 budget and the current economic crisis and a Board's

1 trying to answer those tensions, I feel I have to speak  
2 directly about the unmet need. Those of us in this  
3 room know that even that request was far too low to  
4 meet the need. Our grantees do terrific work, but they  
5 do not have sufficient funding.

6           And I have to say, as chair, at least, one of  
7 the consistent things -- now I've been to three, to  
8 Arizona, to Wisconsin, here we've been here. We've  
9 invited in, I suppose, what amounts to 20 or 30 other  
10 executive directors of programs. The field is  
11 impressive, and the folks that we have met have been  
12 just outstanding representatives of the field. And  
13 incidentally, in Kentucky, you should be extremely  
14 proud of the programs here.

15           And while we're gaining greater bipartisan  
16 support, we're going to have to do more to reach out to  
17 members of Congress on both sides of the aisle to more  
18 fully educate them regarding the circumstances in our  
19 country. We also need to pay attention to those who  
20 may still harbor reservations regarding LSC, and  
21 reassure them regarding our work.

22           So funding is a big part of increasing support



1 for legal services, but it's not the only way. After  
2 we get some of our other initiatives in place, we have  
3 to work seriously on the profession.

4 Our grantees have done a wonderful job in the  
5 last year of increasing volunteer pro bono services.  
6 But our Board, I believe, can do even more to help  
7 encourage pro bono contributions by the private bar,  
8 and essential large corporate legal departments. Every  
9 lawyer has a personal and professional responsibility  
10 to engage in pro bono activities on behalf of those  
11 without means.

12 And we must also look for ways to more  
13 actively engage Access to Justice Commissions, to help  
14 promote them in states that do not have them, to help  
15 support them in states that have them.

16 And as we've seen here in Kentucky, they  
17 support an expanding range of activities such as  
18 statewide pro bono supervised by commissions,  
19 innovative recruitment of volunteers, emeritus rules  
20 that permit retired and inactive attorneys to volunteer  
21 with legal services and other programs, and even CLE  
22 credit for pro bono work. How about even considering

1 whether something is entitled to a state tax deduction  
2 or something the pro bono work beyond a certain number  
3 of hours?

4           And of course, we can do more to elevate the  
5 profile of legal aid within the legal profession, to  
6 encourage pro bono, increased financial support, to  
7 encourage partnerships with law schools and others.

8           So number two -- that was sort of a big number  
9 one, wasn't it?

10           (Laughter.)

11           CHAIRMAN LEVI: Enhanced communications  
12 between LSC and grantees and among grantees to foster  
13 the sharing of best practices. This is an area where I  
14 think we can do better. LSC has formal and informal  
15 arrangements that all share the goal of inspiring  
16 excellence and innovation.

17           The NLADA annual conference usually holds a  
18 workshop on innovations in legal services. TIG holds  
19 its annual meeting that highlights innovations that can  
20 be replicated. And because our resources are  
21 stretched, we need to work with our grantees to see how  
22 we can all share our best practices with one another as

1 they prove themselves, and as quickly and as widely and  
2 efficiently as possible.

3           While we recognize there are many regional and  
4 local issues of concern, and I'm always worried because  
5 the field tells us, oh, we don't want nationalization,  
6 but we also do need to think of ourselves as a national  
7 network and to find ways -- and not be afraid of that.

8       We'll respect the local and regional issues but find  
9 the things that we have in common as a nation and  
10 leverage those to achieve our common goals.

11           Number three, we have to improve  
12 accountability at LSC and the grantees. We appreciate  
13 the work of our Inspector General and his hardworking  
14 staff. Our Office of Compliance and Enforcement. The  
15 GAO is clearly helping LSC set up new procedures for  
16 its work.

17           But we need to pay more attention to internal  
18 controls, especially in the financial area. Grantee  
19 boards in particular need to make sure that they have  
20 proper audit functions, that they call upon outside  
21 auditors, their internal accountants, and financial  
22 managers for evaluations on effectiveness of their

1 internal controls.

2 Our Board is committed, as we said from the  
3 outset, to be vigilant in this area, to make sure our  
4 dollars are well spent. This is of greatest  
5 importance, and as an early step, we established the  
6 Fiscal Oversight Task Force to make sure we're meeting  
7 the gold standard.

8 We also must remember that LSC is an  
9 independent entity, and we have to be careful to guard  
10 our boundary. We are not a federal agency, for good  
11 reason.

12 Well, these are my thoughts. And as I  
13 mentioned, we will need to develop a new strategic plan  
14 for LSC. This is something we should do together and  
15 with new leadership, and we'll need your ideas for  
16 where the Board and Corporation should be going in the  
17 coming years.

18 Thirty-five years ago, on July 14, 1975, my  
19 father's student, Roger Cramton, the first president of  
20 the Legal Services Corporation Board, delivered the  
21 opening remarks at the first meeting of the Board. He  
22 was the dean at Cornell Law School. And he concluded

1 his remarks by saying:

2 "I hope and believe that the Board will be  
3 equal to the task ahead. We must appreciate it with a  
4 sense of humility, a regard for the decent opinion of  
5 others, and a prudent sense of what is possible. Yet  
6 we must be fearless and bold in advancing and  
7 protecting what is fundamental. It is a great  
8 opportunity and challenge; we will give it our best  
9 ability."

10 Today we know that the number of people  
11 eligible for LSC-funded services is at an all-time  
12 high. Millions of people depend upon legal aid lawyers  
13 across the land. This Board, I'm sure, will be equal  
14 to the task and we, too, will give it our best.

15 That's my report.

16 So now a few other little housekeeping items.

17 On November 19th, I think that you all know that the  
18 Chief Justice of the United States has agreed to swear  
19 in our new Board members formally. I know that some of  
20 you had private ceremonies, some with notaries. I  
21 should note that Sarah Singleton swore in Gloria  
22 Valencia-Weber in probably what is a first for LSC.

1           But the public ceremony, to which the four of  
2 you and your families and the rest of the Board are  
3 invited to attend, will be at the Supreme Court on the  
4 19th in the afternoon.

5           That's a big day for us. In the morning,  
6 there is the rollout of the veterans website, and in  
7 the late afternoon, there is the McCalpin deduction.  
8 So those of you who haven't made your plans, please do  
9 make them to be with us on November 19th.

10           The schedule of where we're going to go in the  
11 coming years: There was a map in there, and I took a  
12 look at it with Vic and would make the following  
13 recommendations. I'm going to give actually three  
14 years of recommendations here, and if Board members  
15 have a strong difference of opinion with me over it,  
16 they should speak with me afterwards.

17           But I think we'll go to Virginia in the  
18 spring -- we haven't been to Richmond in a long  
19 time -- and then visit the state of Washington. And  
20 Harry and the McKays can welcome us. And then I think  
21 there is some prerogative of the chair. I saw Illinois  
22 sitting back there in the '90s, and we'll come to

1 Chicago in the fall.

2 In the following year, it looked to me like  
3 Western Pennsylvania hadn't had a visit ever, so it  
4 seems like Pittsburgh. And North Carolina and Colorado  
5 had not been visited for quite some time.

6 And then the year after that, it looked to me  
7 like Florida, Michigan, and maybe Nevada because Nevada  
8 has never been visited, and Vic tells me by then they  
9 should be ready to receive us.

10 So those are my thoughts on that. And are  
11 there any reports by the members? I should also  
12 say -- I forgot -- the Dakotas. Laurie Mikva and I  
13 just met with the executive directors from the Dakotas  
14 when the Midwest region came to Chicago, and the  
15 Midwest region is defined as -- my gosh, there were  
16 about 15 in the Midwest, weren't there?

17 PRESIDENT FORTUNO: More than 15.

18 CHAIRMAN LEVI: Missouri --

19 MR. GREY: Mr. Chairman?

20 CHAIRMAN LEVI: Yes?

21 MR. GREY: You might -- in looking at that,  
22 there are a group of bars -- bar associations; I said

1 bars --

2 (Laughter.)

3 CHAIRMAN LEVI: Yes. Those, too.

4 MR. GREY: Not many. But a group of bar  
5 associations called the Jackrabbit Bar Association.  
6 They meet annually.

7 CHAIRMAN LEVI: Yes.

8 MR. GREY: That includes the Dakotas and  
9 Wyoming and Montana and that group. We may want to  
10 reach out to that group as a sponsoring group.

11 CHAIRMAN LEVI: Sure. Yes.

12 MR. GREY: And they are very active in pro  
13 bono and civic service. So it might be an opportunity  
14 for us to connect through the bar associations with  
15 legal services as well.

16 CHAIRMAN LEVI: Well, and I think that's  
17 right. To the extent that in any of your home cities  
18 these groups happen to be coming, please take advantage  
19 and go over and have lunch with them or -- you'll learn  
20 so much, and we had a very good discussion -- I want to  
21 say it was Missouri, Minnesota, Wisconsin, the Dakotas,  
22 Kansas, Nebraska, Indiana, Illinois. For some reason



1 Michigan was not regarded as the Midwest. But that  
2 group, and it was quite impressive.

3 So with that, any reports from the members?

4 (No response.)

5 CHAIRMAN LEVI: Mr. President, your turn.

6 PRESIDENT FORTUNO: In the interest of  
7 expediency, I'll keep mine very short.

8 I think the one thing I will touch on is TIG.

9 I know there's been a great deal of interest in that.

10 I think, as most people know by now, the Inspector  
11 General has audited the TIG program. They provided to  
12 LSC management a draft report of their TIG audit on  
13 August 31st and asked that we respond to that by  
14 September 30th, which we did do.

15 There is not yet a final report, although I  
16 understand that they're hopeful -- that is, the OIG is  
17 hopeful -- of having a report out in the next 30 days  
18 or so. In the meantime, the aware of TIG grants was  
19 temporarily suspended.

20 The intention at this point is to -- what I'm  
21 planning is we'll be sending out notice to grantees.  
22 Those who applied for funding where it was decided not

1 to fund the applications, those folks will get word  
2 shortly.

3 In addition, we have identified some that we  
4 think are critical, mission-critical and essential to  
5 the infrastructure. So we will be acting on those as  
6 well shortly. That will probably number about four.  
7 And then we are reviewing the others, and will be  
8 acting on them as quickly as possible, hoping to have  
9 final decisions made by Thanksgiving.

10 The TIG conference, which is scheduled for  
11 January 11th and 12th in Albuquerque, New Mexico, the  
12 decision was made that considering the progress we've  
13 made and the pace at which we're proceeding with annual  
14 progress, that we are optimistic about being able to  
15 have everything done, that is, the applications acted  
16 on by Thanksgiving and being able to continue forward  
17 with the TIG conference on the 11th and 12th of  
18 January.

19 And that's it for now. Thank you.

20 CHAIRMAN LEVI: Mr. Inspector General?

21 MR. SCHANZ: Mr. Chairman, you've established  
22 a standard for which I aspire to in my report. I'm

1 going to keep it short. I will not --

2 PRESIDENT FORTUNO: I thought that was my  
3 standard you were responding to.

4 (Laughter.)

5 MR. SCHANZ: Well, you're both sitting up  
6 there together. Okay? That includes both of you.

7 I do want to give you in open session a few  
8 things that I've provided to the Board recently. We  
9 have completed an audit on the Capitol Area Legal  
10 Services. You were provided a complete, final report  
11 on that, as well as a link to our website.

12 Do draw your attention to the website because  
13 that's where we post our reports in the interest of  
14 transparency and keeping the Board advised. If you  
15 ever have any questions on anything that we send to  
16 you, I would request strongly that you give me a call.

17 We also have upcoming what is known as the  
18 semiannual report. We provide reports to Congress on a  
19 semiannual basis. And this ties in a little bit with  
20 what the Performance and Governance Committee was  
21 talking about. That is a report card of the OIG, and  
22 every IG is required to submit that to Congress on a

1 semiannual basis.

2           So we are working on that. The Board will  
3 have an opportunity to look at it, and the Board  
4 actually transmits it to the Congress.

5           A couple of the other things we've been  
6 working on: I will talk a little bit about  
7 investigations during the closed session because those  
8 are open and I don't want to do that in public session.

9           So we're working on that. One thing I do  
10 have, and we're talking about November 18th, and all of  
11 a sudden that agenda is getting really busy, is we do  
12 have orientation binders. I didn't bring any for you  
13 because it's too voluminous to carry back. But it's a  
14 snapshot of what we do as an OIG and what the statutory  
15 requirements are for an OIG.

16           And I want to bring that to your attention,  
17 and I hope to have an opportunity on November 18th  
18 prior to the swearing-in and the activities we have to  
19 be able to provide the four new Board members, and a  
20 refresher for anybody else who would be interested in  
21 attending, sort of a half-day session.

22           Or I can introduce you to my key management

1 staff. I'm merely the conductor of the orchestra;  
2 behind me are some very skilled individuals who do  
3 audits, investigations, evaluations, et cetera, and  
4 legal responses to many, many congressionals that we  
5 receive.

6           Just a plug, if I may. From Representative  
7 Issa, he just talked in an article -- I can make this  
8 available to you; I just received it Friday as I was  
9 walking out the door -- it's called, "Leveraging the  
10 IGs." And I'll just for the record read two  
11 paragraphs, if you'll indulge me.

12           "Federal" -- and I'm considered federal;  
13 that's an editorial -- "Federal inspectors general have  
14 served as agents for positive change throughout the  
15 government since their positions were created by  
16 statute in 1978."

17           The final conclusion from Representative Issa  
18 is that: "Empowering and monitoring the IG institution  
19 promises to transform the government into a more  
20 competent, accountable, and efficient servant of the  
21 people." I believe that and I hope you believe that  
22 because we're all in this together.

1           That is the sum total of the IG's report  
2 unless you want me to continue. I can go on for a long  
3 time. Okay. Thank you very much.

4           CHAIRMAN LEVI: Any questions?

5           (No response.)

6           CHAIRMAN LEVI: Thank you, Jeff.

7           So now, Martha, your committee's report. Or  
8 no, isn't that right? Promotion and Provision -- no.  
9 That's -- I'm sorry -- Laurie Mikva's report.

10           MS. MIKVA: The Committee on the Promotion and  
11 Provision for the Delivery of Legal Services, we had a  
12 very nice presentation on servicing  
13 limited-English-proficient clients. That was a staff  
14 presentation. We discussed various ideas for the  
15 agenda for the upcoming year. That's an evolving list.

16           Then the thing we actually spent the most time  
17 on was discussing restrictions and whether the Board  
18 even wanted to discuss the role it should play, if any,  
19 in the restriction debate. And we decided that  
20 definitely was not within the purview of our committee  
21 and that we would defer that to the chairman.

22           CHAIRMAN LEVI: Thank you. Any questions or

1 comments?

2 (No response.)

3 CHAIRMAN LEVI: The Finance Committee?

4 MR. GREY: Robert Grey, Mr. Chairman.

5 The Finance Committee met and considered the  
6 report of the treasurer for all matters ending at the  
7 conclusion of business of August of this year, and  
8 found that all expenditures were in acceptable  
9 variances.

10 We also were asked to offer to the Board a  
11 resolution to adopt for a temporary operating budget  
12 based on the circumstances of obtaining a final budget  
13 for Congress. That resolution is at page 131 in your  
14 Board book.

15 M O T I O N

16 MR. GREY: The Finance Committee considered  
17 the resolution, and recommends the adoption of the  
18 resolution by the Board. And I would so move.

19 MS. REISKIN: Second.

20 FATHER PIUS: This is Father Pius. There's  
21 just one change in the resolution from what's in your  
22 Board book. It is a typo that says 2010 in the "Now,

1 Therefore" paragraph should be for fiscal year 2011.

2 CHAIRMAN LEVI: What page is it on?

3 MR. GREY: 131.

4 CHAIRMAN LEVI: Do we have a motion?

5 FATHER PIUS: Moved and seconded.

6 CHAIRMAN LEVI: All in favor?

7 (A chorus of ayes.)

8 MR. GREY: Mr. Chairman, there is one  
9 additional resolution for the Board to consider. The  
10 Finance Committee recommends the adoption of a  
11 resolution to amend our thrift plan for employees of  
12 LSC so that it would be in compliance with the HEART  
13 Act amendments that were passed by Congress.

14 Without going into great detail, it does make  
15 for -- it is to address the Heroes Earnings Assistance  
16 and Relief Act of 2008. And we considered whether  
17 there was a great financial impact on LSC and concluded  
18 that there was not at this time.

19 M O T I O N

20 MR. GREY: And so it is, I think, our  
21 responsibility to adopt such a resolution. And the  
22 Finance Committee recommends that the Board adopt the



1 resolution at page 136 of the Board book, and I would  
2 so move.

3 DEAN MINOW: Second.

4 CHAIRMAN LEVI: Yes. I think it's -- you've  
5 moved it and seconded. All in favor?

6 (A chorus of ayes.)

7 CHAIRMAN LEVI: Is that your report?

8 MR. GREY: That concludes the report of the  
9 Finance Committee.

10 CHAIRMAN LEVI: Mr. Maddox?

11 MR. MADDOX: Thank you, Mr. Chairman. Victor  
12 Maddox.

13 The Audit Committee met today and received a  
14 report regarding internal controls from the treasurer  
15 and comptroller of the organization. We received the  
16 report regarding the OPP and OCE program visit reports  
17 from the directors of those respective offices.

18 We received a report from the OIG regarding  
19 the FY 2010 corporate audit and the OIG's work in  
20 connection with the current TIG report, and learned  
21 that the OIG is considering management's response to  
22 the earlier report.

1           We discussed the committee's charter and  
2   agreed to schedule a briefing with the OIG to review  
3   the charter and the committee's future course of  
4   business. And other than that, there are no matters for the  
5   Board's action.

6           CHAIRMAN LEVI: Any questions?

7           (No response.)

8           CHAIRMAN LEVI: Thank you.

9           Ops and Regs?

10          PROFESSOR KECKLER: Thank you, Mr. Chairman.  
11   Charles Keckler.

12          The Operations and Regulations Committee met  
13   this morning. We considered the issue, the end of our  
14   current strategic directions plan, and whether there  
15   are any preliminary steps to lay the ground work for  
16   the Board's future action on developing strategic  
17   directions for 2011 and going forward.

18          What we have recommended and asked management  
19   to do is to prepare an action plan for these initial  
20   steps, these initial preliminary information-gathering  
21   steps, and they will be preparing that action plan  
22   within the next month or so.

1           It will contain some provisions for developing  
2 outreach to gather information, broad outreach; some  
3 staffing needs that might be available to review; the  
4 strategic plans of other organizations and federal  
5 agencies; a timeline for the Board's consideration; and  
6 the possibility of some Board training, in which the  
7 best practices and strategic planning and strategy  
8 planning advice are presented to the Board at a future  
9 meeting.

10           So that's the component of the action plan  
11 that will be developed. And once that is brought back  
12 to our committee, we will then review it and consider  
13 recommending that to the Board at that time.

14           We also considered a draft advanced notice of  
15 proposed rulemaking regarding the Sunshine regulations  
16 and their applicability to certain committees. And in  
17 light of a number of considerations and after  
18 considerable deliberation, we have decided to table  
19 that advanced notice of proposed rulemaking until such  
20 time as we find out more about exactly the way that the  
21 performance evaluations occur in the Governance and  
22 Performance Review Committee and its need for

1 exemption; the Development Committee and its needs,  
2 ultimately, for exemption; and the probable conclusion  
3 of the Search Committee process, at which time there  
4 can be an assessment of whether, going forward, future  
5 searches need to be exempted. So when we get that, we  
6 may take up that issue again. But for the moment, it's  
7 been tabled.

8           Finally, we considered a regulatory change to  
9 Rules 1609 and 1610 having to do with fee cases that  
10 could be funded by non-LSC funds. And after  
11 deliberation and discussion from management, we have  
12 adopted management's recommendation to proceed with  
13 notice and comment rulemaking that would reconcile what  
14 seems to be ambiguities and inconsistencies within the  
15 regulations on that matter.

16           And I think the only action that requires  
17 Board approval here would be the last of those, to  
18 direct management to proceed with that rulemaking.

19           CHAIRMAN LEVI: Do we need that? Or do they  
20 actually come forward with a rule and then we adopt it?  
21 Do we need a Board approval?

22           PRESIDENT FORTUNO: No. We will be back to

1 the committee and the Board.

2 CHAIRMAN LEVI: So do we need any Board action  
3 right now?

4 PRESIDENT FORTUNO: Just to direct the staff  
5 to proceed.

6 CHAIRMAN LEVI: So can we have a motion?

7 M O T I O N

8 MR. GREY: So moved.

9 CHAIRMAN LEVI: Second?

10 PROFESSOR VALENCIA-WEBER: Second.

11 CHAIRMAN LEVI: Discussion?

12 (No response.)

13 CHAIRMAN LEVI: All in favor?

14 (A chorus of ayes.)

15 CHAIRMAN LEVI: Governance and Performance.

16 Now, Martha, your committee's up.

17 DEAN MINOW: Yes. This is Martha Minow. And  
18 the Governance and Performance Review met yesterday.  
19 There are no action items, but I'll summarize our  
20 meeting.

21 We had a staff report that brought us up to  
22 date on the virtual Board manual and the Board and

1 committee self-evaluation process. As to the latter,  
2 John Constance will send out an e-mail to all Board  
3 members to remind us to fill out the self-evaluation  
4 forms, duly tailored to the timing that's relevant to  
5 people who have recently joined the Board, with the  
6 hopes that everyone will turn something in by December  
7 1st.

8           There is a new Board member orientation in the  
9 works which we also had a brief mention of. And we  
10 also had an update from John Constance on the progress  
11 on implementation of the GAO recommendations, which are  
12 all on schedule and going well.

13           We had an update from me on the research  
14 agenda effort and the initial proposal for a mapping  
15 exercise by the American Bar Foundation. There's no  
16 action item on us at this minute, although there is the  
17 possibility, with the committee's approval, of an  
18 authorized expenditure, as there had been in the past,  
19 for the Justice Gap study from the Legal Services  
20 Corporation. And Victor will update us on that.

21           We turned to the issues involved with the  
22 nature, process, and timing of the IG evaluation. And

1 I and Julie have become a subcommittee that will report  
2 to the committee about options with regard to that  
3 activity, which will take into account not only the  
4 review of the IG but also potential review in the  
5 future of the President.

6 And we reviewed and accepted, with some  
7 amendments, the general idea of the proposal given by  
8 Charles Keckler to amend the Governance and Performance  
9 Review charter to encompass a reference to review of  
10 the officers of the Corporation. And Charles and I,  
11 offline, will work on some language and circulate that  
12 to the committee, which will then, I hope, in due  
13 course make its way to the full Board.

14 And that is the report of the Governance and  
15 Performance Review Committee.

16 CHAIRMAN LEVI: Questions?

17 (No response.)

18 CHAIRMAN LEVI: Okay. Now, on item 16, the  
19 resolution authorizing the chairman to appoint  
20 non-directors to the board of directors Development  
21 Committee. I myself want to make a change to the  
22 resolution, and I'm going to read it. Do we have

1 copies? But I'll read it. The concept is simple, and  
2 I believe in this as a matter of board governance.

3           When you have non-director members of a  
4 committee, there should always be a majority of the  
5 committee that is directors. So that's the change I'm  
6 making here.

7           So, "Pursuant to Section 501 of the LSC  
8 bylaws, the Board now desires to delegate to the Board  
9 chairman the authority to appoint non-directors to  
10 serve as voting or nonvoting members of the Development  
11 Committee, provided that if non-directors are appointed  
12 as voting members, there shall be at least one more  
13 director than non-directors serving on the committee."

14           And then the resolution is modified to say  
15 that, "The LSC Board of Directors delegates to the  
16 Board chairman the authority to appoint non-directors  
17 to serve as voting or nonvoting members of the  
18 Development Committee, provided that if non-directors  
19 are appointed as voting members, there shall be at  
20 least one more director than non-directors serving on  
21 the committee."

22           Is that clear to people?



1 DEAN MINOW: Yes.

2 M O T I O N

3 MS. REISKIN: So move.

4 CHAIRMAN LEVI: Second?

5 MS. BROWNE: Second.

6 CHAIRMAN LEVI: Yes?

7 FATHER PIUS: Is it fairly typical to have on  
8 a subcommittee non-members of the Board as voting  
9 members rather than just members with voice but no  
10 vote?

11 CHAIRMAN LEVI: It is typical in other  
12 501(c)(3)s. We're experimenting here. And I'm not  
13 even sure what a Development Committee would  
14 necessarily vote on, but -- I would have planned to  
15 appoint them, I guess, as voting members, but as you'll  
16 see, I have a five and two proposal.

17 MR. MADDOX: It's Victor Maddox. In any  
18 event, the committee itself would have no authority to  
19 take any action without the full Board approval.

20 CHAIRMAN LEVI: That's correct. That's  
21 correct. And that's been the issue. Do we have a  
22 nonvoting or voting member?

1           MR. GREY: We have a nonvoting member of the  
2 Finance Committee at the present time.

3           CHAIRMAN LEVI: Any other questions?

4           (No response.)

5           CHAIRMAN LEVI: All in favor?

6           (A chorus of ayes.)

7           CHAIRMAN LEVI: Opposed?

8           (No response.)

9           CHAIRMAN LEVI: So now I will appoint the  
10 Development Committee and I will chair it. Martha and  
11 Robert Grey, Father Pius, and Charles Keckler will be  
12 joining us. And then our former board members Tom  
13 Smegal and Herb Garten will be joining the committee,  
14 and I think they will aid us and add a lot to the  
15 discussion. So hope that the seven of us find gold  
16 somewhere.

17           In any event, if there are any of you who are  
18 offended that you were not included on the committee,  
19 believe you me, we're more than happy to ask for your  
20 participation.

21           Then this is a moment when, on item No. 17, as  
22 is our tradition -- we serve on this Board as

1 volunteers. And as you all are finding out, this is a  
2 hardworking Board to be on. Much is expected of you.  
3 Many meetings to go to. Many briefings to be  
4 receiving. Much material to read. And you're all  
5 expected to know it almost instantly.

6 But over many, many years, our prior Board was  
7 graced by the presence of Jonann Chiles, Tom Fuentes,  
8 Sarah Singleton, and Tom Meites. And they worked hard  
9 on behalf of Board and on behalf of the legal services  
10 community, serving in some cases eight years.

11 So in your book there are resolutions of  
12 thanks. And rather than doing them individually, if I  
13 could have a motion to thank all of them for their  
14 service. And I will then sign all the resolutions and  
15 we will properly send them to them.

16 M O T I O N

17 PROFESSOR KECKLER: So moved.

18 CHAIRMAN LEVI: Second?

19 MS. BROWNE: Second.

20 CHAIRMAN LEVI: All in favor?

21 (A chorus of ayes.)

22 CHAIRMAN LEVI: Thank you very much.

1           So with that, is there public comment?

2           (No response.)

3           CHAIRMAN LEVI: Hearing none, is there any  
4 other business to be acted on?

5           (No response.)

6           CHAIRMAN LEVI: So just before we conclude,  
7 then, the open session of our Board, I do need to  
8 thank -- I think some of our Kentucky hosts are here.  
9 Will you please stand so that we can say hello to you  
10 one more time and thank you for --

11          (Applause)

12          CHAIRMAN LEVI: -- thank you for putting  
13 together a really remarkable day for us yesterday, and  
14 for hosting us here. We've learned so much and gained  
15 so much from you. And Victor, for hosting us in your  
16 home city so well. No, really, it was terrific. I  
17 think we all feel that. And what a nice place for us  
18 to start our work as a Board together.

19          MR. MADDOX: Well, I appreciate that, John. I  
20 think everybody that I've talked to has been very  
21 impressed and excited to have the Board here. So it's  
22 mutual.

1           CHAIRMAN LEVI: Well, and I also want to thank  
2 our staff. It's hard to move this equipment. I don't  
3 know how they do all of this for our board meetings,  
4 but they do. And some of them in the room. I see  
5 Katherine. I see Kathleen. I don't know if Pat Batie  
6 is here. Pat? Why don't you guys stand up and also be  
7 recognized.

8           (Applause)

9           CHAIRMAN LEVI: And so, at this juncture, I  
10 need a motion to allow us to have a closed session on  
11 the items listed in the closed session agenda.

12                           M O T I O N

13           DEAN MINOW: I so move.

14           CHAIRMAN LEVI: Second?

15           FATHER PIUS: Second.

16           CHAIRMAN LEVI: All in favor?

17           (A chorus of ayes.)

18           (Whereupon, at 12:37 p.m., the Board was  
19 adjourned to executive session.)

20                           \* \* \* \* \*

21

22